

Opportunity for All: The President's Fiscal Year 2015 Budget

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Investing in American Innovation to Create Jobs and Opportunity

To compete in the 21st Century economy and make America a magnet for job creation and opportunity, the Budget invests in American innovation, strengthening our manufacturing base and keeping our nation at the forefront of technological advancement. And to ensure our energy security and address global climate change, it continues to focus on domestic energy production, the development of clean energy alternatives, and the promotion of energy efficiency.

- Transforms regions across the country into global epicenters of advanced manufacturing by supporting the President's goal of creating 45 manufacturing innovation institutes over 10 years, building on the four institutes already launched and the five additional institutes that will be launched 2014.
- Expands and enhances SelectUSA, using a whole of Government approach to attract business investment to the United States.
- Maintains commitment to world-class science and research, targeting R&D resources to areas most likely to directly contribute to the creation of transformational technologies that can create the businesses and jobs of the future, such as advanced manufacturing, clean energy, health care, and agriculture. Also reforms and makes permanent the Research and Experimentation Tax Credit to further incentivize private-sector R&D.
- Advances the President's "all-of-the-above" strategy on energy by investing in the safe and responsible production of natural gas; promoting cleaner-burning fossil fuel technology such as natural gas with carbon capture; supporting the development of clean energy alternatives; advancing energy efficiency in our cars, trucks, homes, and buildings; expanding and making permanent the tax credit for renewable energy production; and eliminating \$4 billion per year in taxpayer subsidies to the oil, gas, and other fuel producers.
- Supports the President's Climate Action Plan to cut carbon pollution in the U.S. by reducing emissions through reasonable standards and improving energy efficiency; enhance preparedness and resilience to climate change; and strengthen U.S. leadership in international efforts to address global climate change and prepare for its impacts.

Building a 21st Century Infrastructure

Building a durable and reliable infrastructure will create good American jobs that cannot be outsourced and will provide businesses with the transportation and communication networks our economy needs. The Budget includes significant investments to repair our existing infrastructure and build the infrastructure of tomorrow.

- Includes a \$302 billion, four-year surface transportation reauthorization proposal to support infrastructure projects and create jobs while improving America's roads, bridges, transit systems, and railways. Emphasizes "fix-it-first" investments to repair existing transportation infrastructure, while also modernizing our infrastructure by making new investments in transit, intercity passenger rail, and competitive grant programs. Pays for investments in infrastructure with transition revenue from business tax reform that simplifies the tax code and promotes economic growth.

- Boosts private investment in infrastructure through a Rebuild America Partnership, establishing an independent National Infrastructure Bank to leverage private and public capital to support infrastructure projects of national and regional significance; and creating America Fast Forward (AFF) Bonds, building on the successful Build America Bonds program to attract new sources of capital for infrastructure investment.
- Modernizes and improves the Federal permitting process for major infrastructure projects, cutting through red tape and getting more timely decisions on Federal permits and reviews while ensuring that projects lead to better outcomes for communities and the environment.
- Launches a National Parks Centennial Initiative, putting youth, returning veterans, and other Americans to work restoring some of our greatest historical, cultural, and natural treasures.

Equipping All Americans with a High-Quality Education and the Skills They Need

Americans must be prepared with the skills and knowledge necessary to compete in the 21st Century economy. Expanding educational opportunities is critical to equipping all children with these skills and positioning them to succeed as adults. The Budget includes investments and initiatives to improve all levels of education, from early childhood education through college, as well as significant new efforts to ensure our workforce has the skills needed by American businesses.

- To build a foundation for success in the formative early years of life, increases access to high-quality early childhood education.
 - Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
 - Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services and educational supports.
 - Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
 - Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing the academic performance of high-need students and closing the achievement gap.
- Creates a new, competitive program to redesign high schools to provide students with challenging, innovative and relevant learning experiences, and to reward high schools that develop partnerships with colleges, employers, and other entities to deliver new opportunities for students to gain the knowledge and skills that will help them succeed in today's economy, with additional funding in the Opportunity, Growth, and Security Initiative.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity, through further investments in the Opportunity,

Growth, and Security Initiative, as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.

- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.
- Makes a high-quality college education more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system supporting State-driven reforms to improve the performance of higher education institutions, investing in innovative approaches to higher education, and expanding income-driven repayment options to help student borrowers better manage their loan debt.
- Includes significant new investments to give workers the skills and training they need to pursue in-demand jobs and careers, and drives greater performance and innovation in the workforce system, including funding in the Opportunity, Growth, and Security Initiative to promote on-the-job apprenticeships that have proven successful in other advanced countries and job-driven training through community colleges.
- Supports new public-private partnerships to help the long-term unemployed build skills and transition back into good jobs that can support their families.
- Invests in educating the health care workforce to improve access to health care services, including support to place and maintain 15,000 providers in the National Health Service Corps that will serve areas across the country that need them most, and creating 13,000 graduate medical education residency slots over ten years in primary care and other high need specialties.

Expanding Opportunity and Middle Class Security

Our economy is moving forward and businesses are creating jobs. But to build real, lasting economic security we need to create more opportunities for all working and middle class Americans to get ahead. The Budget includes a series of proposals to help ensure that if you work hard and play by the rules, you can find a good job, feel secure about your community, and support a family.

- Builds on the President's Executive Order that raised the minimum wage to \$10.10 for individuals working under Federal contracts by calling on the Congress to reward hard work for all Americans by raising the minimum wage to \$10.10 and indexing it to inflation thereafter, while also raising the minimum wage for tipped workers for the first time in over 20 years.
- Improves wage and benefit conditions for American workers, by increasing enforcement of the laws that ensure workers receive the wages and overtime pay they earned, as well as the right to take job-protected leave for family and medical purposes, and by supporting State paid leave programs.
- Calls on the Congress to extend unemployment insurance for the 1.7 million Americans looking for work who have had their assistance cut off, reviving a vital economic lifeline and boosting job creation and economic growth.

- Supports the Administration's Promise Zone initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, promote economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. With the additional resources provided in the Opportunity, Growth, and Security Initiative, supports 35 new Promise Neighborhoods and up to 10 new Choice Neighborhoods.
- Includes resources needed to end veterans' homelessness in 2015 and end chronic homelessness in 2016, keeping us on track to meet the President's goal of ending homelessness across the country.
- Expands the Earned Income Tax Credit (EITC) for childless workers, doubling the maximum credit to \$1,000.
 - Makes the credit available to young adult workers age 21-24, to provide added support and reward for work during the crucial years at the beginning of a young person's career, and to older workers up to the Social Security full retirement age.
 - Pays for the EITC expansion by closing high-income tax loopholes.
- Helps workers with disabilities remain in the workforce, providing new resources for the Social Security Administration, in partnership with other Federal agencies, to test innovative strategies.
- Improves retirement security by supporting the President's proposal to create a new simple, safe and affordable "starter" retirement savings account called MyRA. Also proposes to establish automatic enrollment in IRAs (or "auto-IRAs") for employees without access to a workplace savings plan. Maintains the President's strong commitment to preserve Social Security for future generations.
- Supports implementation of the Affordable Care Act, ensuring that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured, while driving down health care cost growth and reducing the deficit.

Ensuring Our Nation's Safety and Security

Economic growth and opportunity can only be achieved if America is safe and secure. The Budget supports efforts to promote the country's security and well-being both at home and abroad.

- Supports the "Now is the Time" initiative, the President's plan to protect our children and our communities by reducing gun violence through improved background checks by the FBI and improved data via the National Criminal History Improvement Program, inspections of Federally-licensed firearms dealers, improved tracing and ballistics analysis, and efforts to keep guns out of the hands of dangerous criminals. The Budget provides training for State and local law enforcement to prevent and respond to active shooters and prevent mass casualties, invests in programs to identify mental health issues early and continues the Comprehensive School Safety Program and other initiatives to enhance school security.
- Supports the "Smart on Crime" initiative, which is a comprehensive review by the Department of Justice of the criminal justice system in order to identify reforms that would ensure federal laws are enforced more fairly and – in an era of reduced budgets – more efficiently. Under this initiative, the Department is taking steps to modify its charging policies with regard to mandatory minimum

sentences for certain federal low-level, drug-related offenses, improve diversion and reentry policies, strengthen protections for the most vulnerable populations, and increase investments to build stronger and safer communities.

- Addresses growing cost and damage from wildfires by creating a dedicated source of funding outside of the discretionary budget caps for wildland fire suppression, providing funding certainty in future years for firefighting costs, freeing up resources to invest in areas that will promote fire risk reduction and long-term forest and rangeland health and preservation, and maintaining fiscal responsibility by addressing wildfire disaster needs through agreed-upon funding mechanisms.
- Advances national security priorities and provides resources and capabilities to protect the security of the United States and its interests around the world.
 - Responsibly transitions from the completion of our military mission in Afghanistan in 2014 to political and security support for a unified Afghanistan government as it takes full responsibility for its own future.
 - Ensures we maintain ready, modern, and capable defense forces to address any threats we might face, including threats from terrorism and cyber attacks.
 - Funds humanitarian and diplomatic efforts in Syria and supports transition and reform throughout the Middle East and North Africa.
 - Advances our strategic rebalancing toward the Asia-Pacific region.
 - Enhances stability and creates markets for U.S. businesses with investments in Power Africa and supports young leaders.
 - Promotes peace and security by supporting global health care and addressing climate change.
 - Strengthens oversight of intelligence activities.
 - Enhances the protection of U.S. diplomatic facilities and personnel overseas.
- Ensures we meet our obligations to our troops and veterans who have given so much to the country by providing significant resources to support veterans' medical care, help military families, assist soldiers transitioning to civilian life, reduce veterans' homelessness, and improve the disability claims processing system. Also includes reforms to our military compensation system called for by our uniformed military leadership, to make sure that our military can invest in the training, equipment, and support that it needs.

Managing Government to Drive Further Growth and Opportunity

The Budget takes key steps to both continue and enhance the Administration's efforts to deliver a Government that is more effective, efficient, and supportive of economic growth.

- Includes initiatives to deliver better, faster, and smarter services to citizens and businesses, including investing in new approaches to digital services to provide a world-class customer service experience to citizens and businesses to Government information technology.
- Expands the use of shared services between Federal agencies and strategic sourcing to leverage the buying power of the Government, bringing greater value and efficiency for taxpayer dollars.
- Continues to open Government data and research for public and private sector use to spur innovation and job creation, while ensuring strong privacy protections.

- Invests in training, development, and recruitment of the Federal workforce, unlocking the potential of our Government and ensuring that we can attract and retain the best talent and foster a culture of excellence.

Opportunity, Growth, and Security Initiative: Securing Our Nation's Future

The Budget adheres to the funding levels in the bipartisan budget compromise reached by Congress in December, but also demonstrates the President's vision for an even stronger future for the country by including a fully-paid for \$56 billion Opportunity, Growth, and Security Initiative showing where additional investments should be made in critical areas to create more jobs and opportunity and help the country reach its full potential. The Initiative is split evenly between defense and non-defense discretionary funding and includes investments in the critical areas of education; research and innovation; infrastructure and jobs; opportunity and mobility; public health, safety and security; more efficient and effective Government; and national defense. It will:

- Help restore our global edge in basic research.
- Support high-quality early learning opportunities across the country, prepare teachers to take advantage of broadband technology in the classroom, invest in closing the achievement gap, and redesign high schools to help students succeed in today's economy.
- Invest in our communities through emergency response activities, juvenile justice programs, and support for Promise Zones, and fund a national network of manufacturing institutes that will spur economic development.
- Put people back to work, restoring our national parks, renovating veterans' hospitals, and modernizing our national airspace system; and invest in building Americans' skills through apprenticeships and job-driven training at community colleges.
- Invest in research, community assistance, and resilient infrastructure that will better prepare us for the effects of climate change.
- Put a stop to short-sighted cuts that compromise efficiency and effectiveness, and cost money over the long run, such as growing deferred maintenance backlogs, sharp cuts to Federal employee training, and erosions in customer service at agencies like the Social Security Administration and the Internal Revenue Service.
- Enhance our national security by accelerating modernization of key weapons systems, accelerate progress in restoring military readiness degraded by sequestration, support nuclear R&D and infrastructure, and invests in defense facilities and construction across the country.

The Opportunity, Growth, and Security Initiative will be paid for with a balanced package of tax loophole closers and spending reforms.

Reducing Long-Run Deficits and Promoting Sustainable Long-Run Growth

Under the President's leadership, the deficit has been cut in half as a share of the economy, the largest four-year deficit reduction since the demobilization from World War II. While making investments to grow the economy and expand opportunity, the Budget continues this progress, bringing deficits down as a share of the economy to 1.6 percent by 2024. It also stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

In last year's Budget, the President included a compromise proposal intended as a show of good faith to spark additional negotiations with Congressional Republicans about the nation's long-term deficits and debt and to encourage all parties to come together to remove the economically-damaging sequestration cuts. Although that compromise proposal remains on the table, given Congressional Republicans' unwillingness to negotiate a balanced long-term deficit reduction deal, the President's 2015 Budget returns to a more traditional Budget presentation that is focused on achieving the President's vision for the best path to create growth and opportunity for all Americans, and the investments needed to meet that vision.

The Budget shifts away from harmful short-term deficit reduction by replacing remaining sequestration cuts with smart, balanced long-term deficit reduction. It focuses on the primary drivers of long-term deficits – rising health care costs and inadequate revenues to meet the needs of our aging population while making the investments needed to strengthen the economy both now and in the future.

- Builds on the ACA by including \$402 billion in additional health savings that will strengthen Medicare and Medicaid and other Federal health programs by implementing payment innovations and other reforms that encourage high quality and efficient care.
- Includes tax reform measures making the tax code more efficient and fair while reducing the deficit by about \$650 billion over the next decade.
 - o Reduces the value of itemized deductions and other tax preferences to 28 percent for the wealthiest, a limitation that would affect only the top three percent of families in 2014, and restores the deduction rate to the level it was at the end of the Reagan Administration.
 - o Observes the Buffett Rule, requiring that millionaires pay no less than 30 percent of income—after charitable contributions—in taxes, preventing high-income households from using tax preferences to reduce their tax bills to less than what many middle class families pay.
- Calls on the Congress to enact bipartisan commonsense, comprehensive immigration reform consistent with the President's principles and that builds on the bipartisan legislation that has already passed the Senate, which the Congressional Budget Office has found would reduce the deficit by almost \$1 trillion and increase the economy by \$1.4 trillion over the next twenty years.

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Opportunity for All: Advancing Economic Opportunity and Mobility

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Our economy is moving forward and businesses are creating jobs, but to build real, lasting economic security we need to create more opportunities for all Americans to get ahead. The Budget includes a series of proposals to help ensure that if you work hard and play by the rules, you can find a good job, feel secure about your community, and support a family.

PROVIDING SECURITY FOR AMERICAN WORKERS AND RETIREES

Extending Unemployment Insurance for 1.7 Million Americans Looking for Work. As a starting point in achieving economic opportunity and mobility, the Budget proposes extending unemployment insurance for the 1.7 million Americans who have lost this vital economic lifeline. At more than 35 percent, the percentage of unemployed workers who are long-term unemployed is much higher than the last time emergency unemployment benefits expired. Economists have estimated that extending unemployment insurance would provide significant returns, leading to 240,000 more jobs.

Raising the Minimum Wage to \$10.10. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wages so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The President knows this is important for workers and good for business. That is why the President is calling on the Congress to raise the Federal minimum wage in stages to \$10.10 per hour and index it to inflation thereafter, while also raising the minimum wage for tipped workers for the first time in over 20 years. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under new and replacement Federal service, construction, and concession contracts.

Ensuring Workers Receive the Wages and Overtime They Earned. The Budget increases support for the Department of Labor (DOL)'s Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

Encouraging State Paid Leave Initiatives. Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

Improving Retirement Security. Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return. Many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget builds on the recent Presidential Memorandum to create a new simple, safe and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save

for retirement. The Budget continues to propose automatic enrollment in IRAs (or “auto-IRAs”) for employees without access to a workplace savings plan.

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers (including non-custodial parents) is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person’s career. The Budget will double the maximum credit (to \$1,000), make the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lower the age limit from 25 to 21, as a way to support and reward work. The proposal will also update the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66) The proposed EITC expansion will benefit 13.5 million workers. These changes will be paid for by closing high-income tax loopholes.

PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES

As the economy changes, training and employment programs must continually innovate and improve to make the most of constrained resources and help American workers gain the skills to find good jobs and move up the career ladder. The Administration believes that government should be doing everything it can to make it easier for people who need help to find a job or build their skills for a better one, and for employers who need to find qualified workers.

Investing in Training and Employment Services. The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Budget also invests in driving innovation and performance at the State and local level through the Workforce Innovation Fund and through revamped WIA Incentive Grants, to reward States that succeed in serving workers with the greatest barriers to employment. The Opportunity, Growth, and Security Initiative would add another \$750 million to restore prior cuts to formula grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

Creating New Pathways to Jobs and Careers. The Budget proposes to include in the Opportunity, Growth, and Security Initiative \$1.5 billion to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year’s funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Helping the Long-Term Unemployed Transition Back to Work. As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget invests \$158 million in reemployment and eligibility assessments and reemployment services to speed the return to work of Unemployment Insurance (UI) beneficiaries. It also provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a short-term work placement, and support other strategies for getting UI claimants back to work more quickly. And, building upon the Department of Labor's Ready to Work grants, the Budget provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately one million long-term unemployed workers for new jobs.

Supporting Work Opportunities for Low-Income Parents. The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This proved in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

PROVIDING ASSISTANCE TO VULNERABLE POPULATIONS AND INVESTING IN THE HARDEST-HIT COMMUNITIES

Helping Workers with Disabilities Remain in the Workforce. In addition to the Administration's continued commitment to Vocational Rehabilitation programs, the Budget provides new authority and \$400 million in new resources for the Social Security Administration, in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and incentives and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities, and the proposed demonstration authority will help build the evidence base for future program improvements. The proposed childless worker EITC expansion will also benefit over one million workers with disabilities, encouraging and supporting them in maintaining employment.

Supporting Affordable Rental Housing for 4.5 million Families. The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Making Progress on the Federal Strategic Plan to Prevent and End Homelessness. The Budget provides \$2.4 billion for Homeless Assistance Grants, \$0.3 billion above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless nationwide. In addition, under the Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 homeless veterans. Supported by the collection of robust data and using best practices from across the country, this evidence-based investment will continue to make progress towards two of the President's homelessness goals – ending Veterans homelessness by 2015 and ending chronic homelessness by 2016. Between 2010 and 2013, homelessness among Veterans declined by 24 percent (reducing the total number of homeless veterans by almost 18,000), and the total number of individuals experiencing chronic homelessness on a single night declined by nearly 16 percent.

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

ENSURING ACCESS TO QUALITY, AFFORDABLE HEALTH CARE

Efficiently and effectively implementing the ACA is one of the Administration's highest priorities. The Budget fully funds the ongoing implementation of the ACA, which is already providing coverage for millions of Americans that previously did not have access to affordable health care. The Budget continues to support implementation of the ACA's health insurance coverage improvements through the operation of Health Insurance Marketplaces and the delivery of premium tax credits and cost sharing assistance to help make coverage affordable, drive down long-term health care costs, and improve care for millions of citizens.

Implementing ACA and Making Additional Health Reforms. The Affordable Care Act (ACA) has taken historic and significant steps toward putting the nation back on a sustainable fiscal course while laying the foundation for a higher quality, more secure health care system. Through premium tax credit and cost sharing assistance to make coverage affordable and increased Federal support to States expanding Medicaid coverage for newly eligible low-income adults, ACA ensures that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured.

With the full implementation of ACA beginning this year, millions of people have enrolled in either private insurance through the Health Insurance Marketplace or for coverage through Medicaid and the Children's Health Insurance Program (CHIP). Additionally, more than 3 million young adults who already have gained coverage under the health care law by staying on their parents' plans until their 26th birthday.

While there is much more work to be done, we now live in an era where no family will be denied coverage because of a pre-existing condition like high blood pressure or asthma. No American will have to worry that losing a job means you can't get health coverage. And small businesses may be able to get financial help to pay for new affordable coverage options for their employees.

The challenges in our health care system were decades in the making and will not be solved overnight, but every day more Americans are signing up for insurance and getting the peace of mind of knowing that they can get the care they need without losing everything they have worked and saved for. And Americans across the country started this year with new health plans that give them the security of knowing that if they want to change jobs or start their own business, they will have access to affordable health insurance for their family.

FIXING OUR BROKEN IMMIGRATION SYSTEM

The President believes that we must fix our broken immigration system by continuing to strengthen our border security, cracking down on employers who hire undocumented workers, modernizing our legal immigration system, and providing a pathway to earned citizenship for hardworking men and women who pay a penalty and taxes, learn English, pass a background check, and go to the back of the line.

In addition to contributing to a safer and more just society, common sense immigration reform will also boost economic growth, reduce deficits, and strengthen Social Security. The Congressional Budget Office has estimated that the immigration bill that passed with bipartisan support in the Senate last year would reduce the deficit by about \$160 billion in the first decade and by about \$850 billion over 20 years. Meanwhile, the Social Security Actuaries have found that the Senate bill would reduce the Social Security shortfall by \$300 billion over the first 10 years and would close 8 percent of the 75-year Social Security shortfall. By adding younger workers to the labor force, reforming our broken legal immigration system will help balance an aging population and improve the economic and budget outlook as the baby boom generation retires.

The Administration supports the bipartisan Senate approach, and calls on the House of Representatives to act on comprehensive immigration reform this year.

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Opportunity for All: Building a 21st Century Infrastructure

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
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- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Building durable and reliable infrastructure will create good American jobs that cannot be outsourced and will provide businesses with the transportation and communication networks our economy needs. The Budget includes significant investments to repair our existing infrastructure and build the infrastructure of tomorrow.

Simplifying the Business Tax Code and Rebuilding Our Infrastructure. Last summer, in order to spur Congressional action to grow the economy, the President offered a proposal to pay for investments in infrastructure by simplifying our business tax code. Under the President's proposal, one-time transition revenue resulting from business tax reform will be used to fill the Highway Trust Fund funding shortfall and make critical new infrastructure investments as part of a \$302 billion, four-year surface transportation reauthorization proposal. Meanwhile, simplifying the tax code for businesses will also promote long-run growth, job creation, and competitiveness by cutting tax rates, and eliminating inefficient provisions that distort companies' investment decisions.

- *Transportation Reauthorization.* To spur economic growth and encourage States and localities to initiate sound multi-year investments, the Budget includes a \$302 billion, four-year surface transportation reauthorization proposal. In addition to ensuring the health of the Highway Trust Fund for another four years, the President's plan to rebuild America will increase "fix-it-first" investment to repair highways and bridges, while modernizing our infrastructure by making new investments in transit, intercity passenger rail, and competitive grant programs. The reauthorization proposal will provide Americans with affordable transportation options, link regions by funding the development of high-performance passenger rail, strengthen Metropolitan Planning Organizations to foster strong regional economies, and support American exports by improving our country's freight networks. It will also help spur innovation and economic mobility by permanently authorizing the competitive TIGER grant program to support projects that improve the movement of people and goods while bringing job opportunities to communities across the country. In addition, the proposal will advance the President's Climate Action Plan by building more resilient infrastructure and reducing carbon pollution by supporting public transit to meet growing demand and encouraging smarter regional planning.
- *Simplifying Our Business Tax Code.* The President believes that simplifying our business tax code can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates the loopholes that reward companies for moving profits overseas and allow them to avoid paying their fair share. In February 2012, the President provided a framework for how business tax reform could achieve these goals. The Budget builds on that framework with specific proposals to simplify and strengthen tax incentives for research and clean energy, to begin closing loopholes and eliminating special interest subsidies, and to reform the international tax system. The Budget proposals would both prevent U.S. companies from shifting profits overseas and prevent foreign companies operating in the U.S. from avoiding the taxes they owe.

The President favors adopting these measures as part of long-run revenue neutral business tax reform that would also cut the corporate tax rate to 28 percent (with a rate of no more than 25 percent for manufacturing), cut taxes for small businesses, and comprehensively reform tax subsidies and the international tax system. For this reason, the Budget does not count the net savings from the business tax proposals described above toward its deficit reduction targets, instead reserving them to help pay for business tax reform. However, the transition to a reformed business tax system will generate one-time, temporary revenue, for example from addressing the \$1-\$2 trillion of untaxed foreign earnings that U.S. companies have accumulated overseas and from

reforming accelerated depreciation. The Budget proposes to use the one-time savings generated from transitioning to the new business tax system to solve the Highway Trust Fund shortfall and help pay for the four-year transportation reauthorization proposal included in the Budget.

Boosting Private Investment Through a Rebuild America Partnership. To help further drive infrastructure investment, the Budget includes proposals aimed at enhancing the role of private capital in U.S. infrastructure investment as a vital additive to the traditional roles of Federal, State, and local governments.

- *Creating a National Infrastructure Bank.* The President continues to call for the creation of an independent Government entity to support increased investment in our nation's infrastructure. A National Infrastructure Bank or similar financing entity with bipartisan support in Congress will have the ability to leverage private and public capital to support infrastructure projects of national and regional significance. In addition, such an entity will be able to invest through loans and loan guarantees in a broad range of infrastructure, including transportation, energy, and water projects.
- *Enacting America Fast Forward Bonds and Other Tax Incentives for Infrastructure Investment.* The Budget again calls for the creation of an America Fast Forward (AFF) Bonds program based on the successful example of the Build America Bonds (BABs) program. AFF Bonds will attract new sources of capital for infrastructure investment—including from public pension funds and foreign investors that do not receive a tax benefit from traditional tax exempt debt, will be exempted from sequestration, and will be budget-neutral. In addition, the Budget proposes changes to the Foreign Investment in Real Property Tax Act (FIRPTA) aimed at enhancing the attractiveness of investment in U.S. infrastructure and real estate to a broader universe of private investors.

Supporting FAA's NextGen Initiative. The Budget provides \$1 billion for the Next Generation Air Transportation System (NextGen), the multi-year effort currently underway to improve the efficiency, safety, capacity, and environmental performance of the aviation system. The Budget includes \$836 million in the base request for NextGen and an additional \$186 million through the Opportunity, Growth, and Security Initiative. These funds will continue to support the transformation from a ground-based radar surveillance system to a more accurate satellite-based surveillance system; the development of 21st Century data communications capability between air traffic control and aircraft to improve efficiency; and the improvement of aviation weather information.

Cutting Red Tape in the Infrastructure Permitting Process. In order to accelerate economic growth and improve the competitiveness of the American economy, the Administration is taking action to modernize and improve the efficiency of the Federal permitting process for major infrastructure projects. In August 2011 the President issued a Presidential Memorandum to add more transparency, accountability, and certainty into the permitting and review process. Since then, agencies have worked to expedite the permitting and review of 52 major projects, and have completed the review of 30 projects including bridges, railways, ports and waterways, roads, and renewable energy projects. In support of this effort, and as part of the President's Management Agenda, the Budget includes funding for a new Interagency Infrastructure Permitting Improvement Center at the Department of Transportation, which will lead the Administration's reform efforts across nearly 20 Federal agencies and bureaus. The Budget also supports an expanded, publicly available Permitting Dashboard, which tracks project schedules and metrics for all major infrastructure projects, further improving the transparency and accountability of the permitting process. The Opportunity, Growth, and Security

Initiative also includes additional funding to support the National Inventory of Historic Properties to help expedite Federal permitting and get infrastructure projects off the ground.

Launching National Parks Centennial Initiative. To mark the 100th year anniversary of the founding of the National Park Service in 1916, the Budget will fund a targeted effort to put thousands of youth, returning veterans, and other Americans back to work each year restoring some of our greatest historical, cultural, and natural treasures, including through additional funding provided by the Opportunity, Growth, and Security Initiative. The Centennial Initiative, building on the President's America's Great Outdoors Initiative, would be one of the largest parks improvement efforts in the history of the National Parks System, helping to upgrade roadways, water mains, bridges, paths, and visitor services across the entire system, including some of the country's most famous sites, from Yosemite National Park to the Blue Ridge Parkway to Katmai National Park.

Supporting High Priority Veterans' Affairs Construction and Renovation Projects. The Budget includes funding to support major veterans' hospital renovations to improve services and meet increased demand, including through additional funding provided by the Opportunity, Growth, and Security Initiative.

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Opportunity for All: Building a Clean Energy Economy, Improving Energy Security, and Taking Action on Climate Change

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 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

In order to secure America's energy future, cut carbon pollution, and prepare the nation for the unavoidable impacts of climate change we are already beginning to experience, the Budget supports a wide array of programs that promote advances in clean energy, improve energy security, and enhance preparedness and resilience to climate change. The Budget continues the significant progress already made toward achieving the President's commitment to cut carbon pollution in the U.S. in the range of 17 percent below 2005 levels by 2020. As critical components of the President's Climate Action Plan, these programs are fundamental to bringing about a clean energy economy with new businesses, jobs, and opportunities for American workers.

INVESTING IN HOMEGROWN CLEAN ENERGY

The Budget continues to further American leadership by investing approximately \$6.9 billion in base funding for clean energy technology programs across several agencies.

Cutting Carbon Pollution by Investing in Clean Energy Technologies. The Budget provides approximately \$5.2 billion in base funding for clean energy technology activities at the Department of Energy (DOE), including:

- Over \$900 million in basic clean energy research in the Office of Science;
- Over \$860 million for programs and infrastructure that support the advancement of nuclear energy technologies, including \$97 million to help accelerate the timelines for the commercialization of small modular reactors (SMR) through the SMR Licensing Technical Support program.
- Over \$700 million in cutting-edge sustainable transportation technologies to increase the affordability and convenience of advanced vehicles and domestic renewable fuels;
- Over \$500 million to increase the use and reduce the costs of clean renewable power from solar, wind, water, and geothermal energy;
- Nearly \$400 million in cleaner energy from fossil fuels, including \$25 million to support the demonstration of carbon capture and storage integrated with a natural gas power system.
- \$325 million for DOE's Advanced Research Projects Agency– Energy (APRA-E) to support potentially transformative applied energy research;
- Technical assistance to help State and local decision-makers develop policies and regulations that encourage greater deployment of renewable energy, energy efficiency technologies, and alternative fuel vehicles;
- A new demonstration project to accelerate pre-commercial development and validation of a turbine system technology that shows promise in improving electricity generation efficiency; and
- Modernizing the electricity grid through an investment of \$157 million in Smart Grid R&D and other activities.

To further support U.S. leadership in clean energy, the Opportunity, Growth, and Security Initiative invests additional funding in applied research at the Department of Energy to accelerate the development and deployment of new energy efficiency and renewable energy technologies. Examples include increased R&D on higher-performing electric drive motors, batteries, and ultra-light materials and composites to enable electric vehicles to be as affordable and convenient as the gasoline powered vehicles we drive today; and on technological advances to make renewable electricity as inexpensive and accessible as fossil-fuel based electricity. The Opportunity, Growth, and Security Initiative also

makes other investments across several agencies to maintain U.S. global leadership in basic research and help transition our economy to a clean energy future.

Promoting Clean Energy in Rural America. The Budget provides \$345 million for the Department of Agriculture (USDA) for a range of programs including research related to biomass feedstock, biofuels and biobased product development, as well as demonstration and deployment of renewable energy systems, biomass feedstock production, and energy efficiency improvements.

To cut carbon pollution and promote renewable and clean energy as well as energy efficiency improvements in electric generation, transmission, and distribution sites in rural communities, the Budget also supports \$5 billion in USDA lending to rural electric cooperatives and utilities to support the transition to clean-energy and increased energy efficiency.

Making Public Lands Available for Clean Energy Infrastructure Projects. To enhance energy security and create jobs in new industries, the Budget invests in core Department of the Interior (DOI) renewable energy development programs, providing roughly \$95 million to review and permit new renewable energy projects on Federal lands and waters. These funds will allow DOI to continue progress toward its goal of permitting 20 gigawatts of renewable energy capacity and related transmission infrastructure by 2020 as part of the President's Climate Action Plan.

Making Permanent and Expanding the Renewable Energy Production Tax Credit. In order to provide a strong, consistent incentive to encourage investments in renewable energy like wind and solar, create American jobs, and support American companies and manufacturers, the Budget would make permanent the tax credit for the production of renewable electricity and reform it by making it refundable.

Challenging the Federal Government to Lead By Example. To challenge Federal agencies to continue to lead by example the President more than doubled their renewable energy use goals to 20% by 2020. The Administration also called on them to expand and extend the \$2 billion energy performance contracting challenge that uses performance contracts to deploy energy-saving and renewable energy projects at government facilities through 2016.

ENSURING AMERICA'S ENERGY SECURITY

Making Energy Go Further for the Economy and Consumers. Cutting the amount of energy we waste in our cars and trucks, in our homes and buildings, and in our factories, will make a stronger, more resilient, and more competitive economy. That is why the President set a goal of cutting in half the energy wasted by America's homes and businesses with action aimed at doubling the economic output per unit of energy consumed in the United States by 2030, relative to 2010 levels. The Budget takes a number of steps to help reach this goal, including: supporting the development of additional efficiency standards for appliances and buildings; expanding the Better Buildings Challenge to encourage greater energy efficiency in industrial and commercial buildings; improving energy efficiency in Federal buildings; improving energy data access for consumers and for Federal facilities through the "Green Button" initiative, under which utilities are establishing a standardized system allowing electricity customers to securely download their energy usage information; and supporting and encouraging the adoption of State and local policies to cut energy waste.

The Opportunity, Growth, and Security Initiative supports further progress on cutting energy waste by launching a Race to the Top for Energy Efficiency and Grid Modernization. This one-time investment would incentivize States to make progress toward the goal of doubling American energy productivity in 20 years and toward modernizing their electricity grids, resulting in more cost-effective demand response, distributed generation, and improved grid reliability and resilience.

The Budget supports a new tax credit to catalyze investment in the necessary infrastructure to support deployment of advanced vehicles. This proposal would be fuel neutral, allowing the private sector to determine if biofuels, electrification, natural gas, hydrogen, or other alternative fuels would be the best fit in different communities. In addition, the Budget proposes to extend the cellulosic biofuel producer credit that expired on December 31, 2013. Cellulosic biofuels have the potential to reduce petroleum consumption and carbon pollution while boosting rural economic development. Extending the existing tax credit would accelerate development of this transformative transportation fuel.

Investing in Energy Security. Over the President’s first term, the United States cut oil imports by more than 3.6 million barrels per day, more than under any other President. Last year, domestic oil production exceeded crude oil imports for the first time since 1995, while petroleum net imports were the lowest since February 1991. To ensure that we continue on a path towards greater energy security, the Budget establishes an Energy Security Trust to help fund efforts to shift our cars and trucks off oil. This \$2 billion investment over 10 years will support R&D into a range of cost-effective technologies – like advanced vehicles that run on electricity, homegrown biofuels, renewable hydrogen, and domestically produced natural gas – and will be drawn from existing royalty revenues generated from Federal oil and gas development. The Budget proposes an extension of tax credits to support cellulosic biofuels and new tax incentives for medium- and heavy-duty trucks that run on alternative fuels like natural gas and for the fuel infrastructure needed to deploy them.

Supporting Responsible Development of the Nation’s Oil and Gas Resources. The Budget continues to support the President’s “all of the above” strategy for developing domestic energy resources and reducing our reliance on oil imports. This includes \$170 million and \$205 million, respectively, to fund the Department of the Interior’s (DOI) Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement, which share responsibility for overseeing development of oil and gas resources on the Outer Continental Shelf (OCS). The current OCS five-year leasing program will make more than 75 percent of estimated undiscovered technically recoverable oil and gas resources on the OCS available for development. Funding supports continued reforms to strengthen oversight of industry operations following the 2010 Deepwater Horizon oil spill, with an additional emphasis on ensuring the safe and responsible development of Arctic OCS resources.

The Budget also provides support for onshore energy permitting and oversight on Federal lands, with an 18 percent increase in discretionary and fee-based funding for the oil and gas program of DOI’s Bureau of Land Management (BLM), relative to the 2014 enacted level. Combined with an extended and reformed permitting pilot office authority and ongoing administrative efforts, these resources will facilitate improved responsiveness to permit requests while strengthening oversight and enforcement of industry operations. BLM’s costs would be partially offset through new inspection fees totaling \$48 million in 2015, requiring the onshore industry to bear a greater share of the cost of managing the program from which it benefits, just as the offshore industry currently does.

Promoting Safe and Responsible Production and Use of Natural Gas and Cleaner Energy from Fossil Fuels. Our domestic natural gas resources are reducing energy costs across the economy—from manufacturers investing in new facilities to lower heating costs for families throughout the country. The Budget invests in research to ensure safe and responsible natural gas production. Specifically, it includes \$48 million to support an interagency R&D initiative aimed at understanding and minimizing potential environmental, health, and safety impacts of unconventional gas resource development and production through hydraulic fracturing. This research will be coordinated between DOE, DOI’s U.S. Geological Survey, and the Environmental Protection Agency (EPA) and will focus on timely, policy-relevant science to ensure prudent development while protecting human health and the environment.

The Budget also invests in innovative approaches to cleaner fossil fuels, including advanced high-efficiency combustion engines and combined heat and power, as well as carbon capture and storage technologies from both natural gas and coal. The Budget also supports grants through DOE’s Office of Energy Efficiency and Renewable Energy to States and local communities to create economic development roadmaps that leverage the current shale gas boom to support sustained economic development and growth as well as assist local governments in their efforts to diversify their economies by attracting advanced manufacturing and clean energy industries. Additionally, the Budget helps States and localities improve the integration and utilization of natural gas in manufacturing and transportation.

REDUCING CARBON POLLUTION AND PREPARING FOR THE IMPACTS OF CLIMATE CHANGE

Promoting Voluntary and State Action to Cut Carbon Pollution. The Budget provides nearly \$200 million for the Environmental Protection Agency (EPA), which will be focused on cutting carbon pollution to protect our children’s health and spark business innovation to modernize our power plants as called for in the Climate Action Plan; implementing programs such as Energy Star; and supporting State efforts to monitor and cut carbon pollution.

Ensuring Resilience to the Effects of Climate Change. The Nation is already experiencing impact from climate change, and there is more to come. The Budget strengthens America’s preparedness for and resilience to the effects of climate change by including base funding for investments specifically for identifying and analyzing critical infrastructure vulnerabilities, as well as funds for grants to support research and State and local level resilience planning. These investments include:

- The Department of Transportation (DOT), in partnership with States and communities, is advancing integration of climate information to minimize the effects of extreme weather and climate change on critical transportation infrastructure. The Budget continues DOT’s commitment to work with the States to pilot approaches for conducting climate change vulnerability and risk assessments, initiated in 2010 and 2011. These on-the-ground projects advance understanding of current and future vulnerabilities – and inform actions to improve transportation safety and minimize the disruptions that affect communities on a daily basis.
- The Budget also includes \$5 million for the Army Corps of Engineers’ (Corps) Responses to Climate Change effort to continue development of planning and engineering guidance and supporting tools that will aid in the design of future climate resilient water resources infrastructure.

- The Budget provides \$2 million to support the National Oceanic and Atmospheric Administration's development of a climate toolkit, as called for in the President's Climate Action Plan. This toolkit will provide easy access to tools, models, and other data that will help inform decision-making to support resiliency efforts.
- The Budget proposes \$150 million for National Flood Insurance Program mitigation grants, which lower the risk of flood damage to policy holders' properties.

In addition to these base funding investments, the Budget includes over \$1 billion in a Climate Resilience Fund within the President's Opportunity, Growth and Security Initiative to more fully prepare the Nation for existing and future threats from climate change. The investments supported by the Fund will arm us with a greater understanding of the impacts of climate change, provide tools and information to support community planning that accounts for the effects of climate change, and help reduce the risk to our communities, infrastructure, and natural resources in the face of climate change and extreme weather events. For example, the Budget will include \$400 million for the Pre-Disaster Mitigation program in the Opportunity, Growth, and Security Initiative. This, combined with the \$150 million, combined with the \$150 million in base funding for National Flood Insurance Program mitigation grants, represent an increase of \$450 million over the 2014 spending level. These programs provide grants for eligible mitigation planning and projects that reduce disaster losses and protect life and property from future disaster damages. This includes support for adaptation planning and pilot projects for cities and communities through hazard mitigation assistance, building on Administration efforts to implement the National Mitigation Framework. For mitigation funding provided through the Flood Insurance Program, this can include planning grants to prepare flood mitigation plans; cost-effective project grants to reduce flood losses, structure elevation, retro-fitting of existing buildings, soil stabilization; and management costs for the State to help administer mitigation programs.

Protecting Resources on Tribal and Federal Lands. In 2015, Federal agencies will continue to fulfill the President's commitment to modernize policies and programs to help State and local governments build resilience to the impacts of climate change. For the Department of Interior, a \$27 million increase is proposed for climate-related work, including robust funding for: adaptive management across public lands and resources managed by the Fish and Wildlife Service, the Bureau of Land Management, and the National Park Service; drought mitigation and sustainable water management by the Bureau of Reclamation; climate resilience on tribal lands through the Bureau of Indian Affairs; and the development of science and tools by the United States Geological Survey and other bureaus to support adaptive resource management.

Understanding the Impact of Climate Change on Oceans. The Budget includes \$15 million for an expanded ocean acidification research program at the National Oceanic and Atmospheric Administration. This will allow for better understanding of the impacts of increasing levels of atmospheric carbon dioxide on ocean chemistry and marine resources.

Understanding Global Climate Change and its Impacts. The U.S. Global Change Research Program (USGCRP) coordinates Federal research to improve our ability to understand, assess, predict, and respond to the human-induced and natural processes of global change and their related impacts and effects. USGCRP outcomes support the Administration's Climate Action Plan. The Budget includes approximately \$2.5 billion for USGCRP, advancing scientific knowledge of the integrated natural and human components of the Earth system; providing the scientific basis to inform and enable timely decisions; supporting sustained assessment capacity that improves the ability to document changes on the regional, landscape, and local level to understand, anticipate, and respond to global change impacts

and vulnerabilities; and advancing communications and education to broaden public understanding of global change. The Budget also supports an integrated suite of climate change observations, process-based research, modeling and assessment and adaptation science activities that serve as a foundation for providing timely and responsive information including but not limited to technical reports, impact and vulnerability assessments, and adaptation response strategies to a broad array of stakeholders.

Leading International Efforts on Climate Change. The Budget provides \$839 million to advance the goals of the Global Climate Change Initiative (GCCCI) and the President's Climate Action Plan by supporting bilateral and multilateral engagement with major and emerging economies; reducing emissions from deforestation and forest degradation; and expanding clean energy use as well as energy efficiency. Established in 2010, the Global Climate Change Initiative (GCCCI) enables the United States to provide international leadership through the Department of State, USAID, and the Department of Treasury to promote cleaner and more efficient energy, to conserve the world's remaining tropical rainforests, to phase down chemicals with high global warming potential, and to support the most vulnerable communities in their efforts to cope with the adverse impacts of severe weather events and climate change.

###

Opportunity for All: Building and Using Evidence Improve Results

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 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Since taking office, the President has emphasized the need to use evidence and rigorous evaluation to improve policy outcomes. The Budget continues this emphasis by investing in generating new knowledge about what works and applying evidence to strengthen program performance and benefit individuals, families and communities.

BUILDING EVIDENCE ABOUT WHAT WORKS

Launching Innovative Pilot Programs and Demonstrations. The Budget includes pilot and demonstration programs that can help determine which strategies lead to better results for taxpayer investments, allowing Federal and State governments to identify the most promising strategies that warrant expansion. For example, the Budget supports:

- New authority and funding for the Social Security Administration, in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce (\$400 million). Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities. The proposed demonstration authority will help build the evidence base for future program improvements.
- Additional summer electronic benefit pilots for participants in the Supplemental Nutrition Assistance Program (SNAP) (\$30 million). Preliminary results suggest that this approach may be successful at reducing childhood hunger and improving nutrition in the months when school meals are unavailable.
- Criminal justice research, including research and pilot projects focused on developing appropriate responses for youth exposed to violence (\$23 million), and, more broadly, a new multidisciplinary program evaluation and policy analysis capability within the Department of Justice to inform policy options and track and monitor implementation of policy decisions (\$1.7 million).
- Continued implementation of the interagency Promoting Readiness of Minors in SSI (PROMISE) pilot. The pilot, initiated in 2012, is testing interventions that have the potential to improve health, education, and workforce outcomes for youth receiving Supplemental Security Income (SSI).
- Expanded authority for Performance Partnership Pilots to improve outcomes for disconnected youth. The Department of Justice will join the Departments of Labor, Health and Human Services, and Education, and the Corporation for National and Community Service in allowing pilots where States, regions, localities, or Federally-recognized tribes can pool a portion of discretionary funds from multiple Federal programs to more effectively serve disconnected youth while rigorously measuring and tracking cross-program outcomes.

Supporting Outcome-Focused Grant Reforms. Because many Federal dollars flow through competitive and formula grants, grant reforms are an important component of strengthening the use of evidence in Government. Among the most notable advances in grants are “tiered-evidence” or “innovation fund” grant designs that focus resources on practices with strong evidence while also promoting innovation. In a three-tiered grant model, grantees can qualify for the “scale up” tier and

receive the most funding when they have proven evidence of how their proposed approach delivers impact; the “validation” tier and receive less funding if there is emerging evidence but a more robust fact base is still needed; or the “proof of concept” tier and receive the least funding when attempting new models that have high potential but not yet robust fact-based evidence of efficacy. The goal is that, over time, successful interventions move up tiers and are brought to scale as the evidence becomes stronger.

The Budget builds on recent success in driving more discretionary grant dollars to outcome-focused, tiered-evidence approaches. The Budget invests more than \$680 million in discretionary tiered-evidence programs, representing roughly a tripling of funding for these programs relative to 2010, adjusted for inflation. In particular, it increases investment in:

- The Investing in Innovation (i3) program at the Department of Education, which supports potentially transformative education interventions to improve student learning through projects focused on improving instruction, ensuring successful implementation of high quality standards and assessments, and improving low-performing schools. Research and evaluation experts in the Institute of Education Sciences work closely with the i3 program to ensure that the highest-funded projects utilize rigorous research findings and that all projects employ strong evaluation designs to assess their impact. The Budget increases funding for i3 from \$142 million in 2014 to \$165 million in 2015.
- The First in the World fund at the Department of Education, a new program funded for the first time in the 2014 Consolidated Appropriations Act that is part of the President’s agenda to improve college quality while reducing cost. The First in the World fund will support and test promising institutional innovations and practices that have the potential to improve educational outcomes and make college more affordable for students and families. The Budget increases funding for First in the World from \$75 million in 2014 to \$100 million in 2015.
- The Social Innovation Fund (SIF) at the Corporation for National and Community Service which invests in high-impact, evidence-based nonprofits by working through intermediary organizations who then raise additional funds from philanthropy and the private sector. To date, SIF has deployed more than \$175 million in public funds and catalyzed more than \$470 million in non-Federal funding commitments. The Budget maintains the FY14 enacted level of \$70 million including a continuation of the up to 20 percent set-aside to advance Pay for Success strategies.
- The Workforce Innovation Fund (WIF) at the Department of Labor, which helps States and local areas develop and launch innovative approaches to the design and delivery of employment training. The Budget increases funding for the WIF from \$47 million in 2014 to \$60 million in 2015.

Advancing Pay for Success Approaches. With Pay for Success, philanthropic and other private investors provide up-front funding for preventive services, and the Government does not pay unless and until there are results. The Pay for Success model is one way of embedding accountability directly into program design and is particularly well-suited to interventions that produce Government savings, since a portion of those savings could be used to pay for results.

- Over the past two years, the Administration has launched Pay for Success initiatives at the Department of Labor and the Department of Justice, which have funded projects focused on increasing employment and reducing recidivism among formerly incarcerated individuals.
- The Budget provides up to \$382 million for Pay for Success efforts, including up to \$82 million for Pay for Success initiatives at the Departments of Education, Labor, and Justice and the Corporation for National and Community Service in the areas of job training, education, criminal justice, housing, and other areas to promote opportunity and economic mobility.
- It also re-proposes a \$300 million mandatory Treasury Department Pay for Success Incentive Fund to help State and local governments implement Pay for Success approaches that generate savings in Federal Government programs.
- The Budget proposes a new demonstration allowing the Department of Housing and Urban Development (HUD) to use a Pay for Success model to finance energy efficiency retrofits in HUD-assisted housing through reductions in utility costs.

Harnessing Data. As part of the President’s Management Agenda and Open Data Initiative, the Administration continues to seek ways to open up Federal data for private sector innovation and public use, while fully respecting privacy and protecting confidentiality. Along with opening up data sets in areas as diverse as weather forecasting, retirement planning and location-based services, the Administration also is working to help Federal agencies access and utilize existing Federal data to answer important questions about program outcomes and better serve the American public. Many of these efforts are ongoing and involve leveraging existing data, including linking data on program participants to administrative data on earnings, health, or other outcomes. In addition, the Budget funds a number of specific efforts to improve the data available for both Government and private-sector decision-making, including:

- Providing \$11 million to improve and expand Department of Commerce measures of innovation, U.S. foreign direct investment, and small business contribution to GDP. Together these measures will help existing and prospective private sector businesses make critical decisions about factors including location, industry, scope and scale.
- Providing \$5 million to the Census Bureau to improve the supplemental poverty measure to allow for more accurate analysis of poverty programs.
- Doubling funding, to \$70 million, for the Department of Education’s Statewide Longitudinal Data System Grant program to assist school districts in tracking resources at the school level and making allocation decisions based on data, including return on investment metrics.
- Providing \$8 million for more frequent data collection through the Department of Education’s National Postsecondary Student Aid Survey in order to obtain more timely information on the characteristics of students in postsecondary education and how they are financing their education.
- Providing \$6 million for the Workforce Data Quality Initiative, to help States generate better information about the effectiveness of workforce and training programs, and make that information available to consumers.

- Providing \$4 million for a pilot program at the Corporation for National and Community Service to help nonprofits better evaluate their impact and performance by accessing Federal and State administrative data.
- Providing \$5 million for a Youth Data Pilot at the Department of Education that would enhance communities' tracking of multiple outcomes for at-risk youth using existing data sets, by establishing common indicators of youth success, integrating administrative data sources, and developing easy-to-understand scorecards to help drive decision-making.

USING EVIDENCE TO GET BETTER RESULTS

The Administration is committed to developing evidence about how best to address important challenges, but equally committed to acting on the evidence that is already available. Below are a few examples of programs that the Budget proposes to invest in, scale up, or change on the basis of strong evidence.

Ending Homelessness. Chronic homelessness was long considered an intractable problem. But a broad body of research, including rigorous evaluations, demonstrated that permanent supportive housing is more effective at reducing chronic homelessness than traditional approaches, such as transitional housing. By investing in this evidence-based approach, the Administration has made significant progress toward the President's ambitious goals of ending homelessness across the country. Since 2009, veterans' homelessness is down 24 percent and the total number of people experiencing chronic homelessness on a single night is down 16 percent. The Budget continues investments in supportive permanent housing, providing the resources needed to end veterans' homelessness by 2015 and to end chronic homelessness by 2016. The Budget provides \$2.4 billion for Homeless Assistance Grants from the Department of Housing and Urban Development (HUD), \$300 million above the 2014 enacted level. In addition, under the HUD Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 additional homeless veterans.

Improving Youth Outcomes. The Budget invests in evidence-based approaches to improving the education, development, and health of children, including:

- A major investment in early learning, motivated by strong evidence that quality early childhood education leads to significant benefits later in school and into adulthood. As part of that initiative, the Budget invests \$15 billion in mandatory funds over the next 10 years for the Department of Health and Human Services (HHS) to extend the Maternal, Infant, and Early Childhood Home Visiting program and expand evidence-based, voluntary home visiting programs. These programs enable nurses, social workers, and other professionals to connect families to services and educational supports that improve a child's health, development, and ability to learn. Research has found that these programs improve a broad range of outcomes, including school readiness, prevention of child maltreatment, maternal health, parenting, and family economic self-sufficiency.
- Support for changes to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) food packages that will more closely align WIC benefits with updated nutrition science. A rich body of research has found that WIC's science-based design of food benefit

packages contributes to healthier birth outcomes and improved nutrition for low-income pregnant and postpartum women, infants, and children.

- A new Medicaid demonstration project at HHS to encourage States to provide evidence-based psychosocial interventions to children and youth in foster care. Research suggests that certain evidence-based and evidence-informed psychosocial interventions yield better and longer-lasting outcomes for children and youth than prescribing psychotropic medications. The demonstration will test whether encouraging States to increase access to evidence-based alternatives to treat behavioral and mental health conditions will reduce over-prescription of psychotropic medications and improve outcomes for these young people.
- Continued investment in the Department of Education's School Improvement Grants (SIG). By next year, nearly 40 percent of the Nation's 5,000 lowest achieving schools will be implementing turn-around strategies. Early data indicate significant achievement gains in many of the SIG schools that outpace the national average.
- Through the Opportunity, Growth, and Security Initiative, a new Youth Investment Initiative at the Department of Justice to incentivize State efforts to increase the availability of alternatives to incarceration that have been shown to be effective in reducing youth incarceration in States including Alabama, California, and Texas, as well to increase the availability of post-incarceration approaches that have been shown effective in helping youth re-integrate into school after confinement.
- Continued funding at HHS for evidence-based approaches to preventing teenage pregnancy.

Strengthening Training and Employment Strategies. The Budget supports evidence-based approaches to strengthening job training, assisting the long-term unemployed, and facilitating and encouraging employment among low-income individuals and families. Examples include:

- Significantly increasing the Earned Income Tax Credit for workers without qualifying children, including non-custodial parents, in order to reduce poverty and provide a more meaningful work incentive to low-wage workers without custodial children. Extensive research finds that the EITC for families with children has increased labor force participation among single mothers. This proposal would build on that success.
- At the Department of Labor, scaling up reemployment and eligibility assessments and reemployment services (REA/RES) to reach those Unemployment Insurance (UI) beneficiaries most likely to exhaust their UI benefits, as well as all recently separated veterans transitioning to civilian jobs (\$158 million). Rigorous studies have found that REA/RES speeds re-employment.
- At HHS, redirecting \$602 million in annual Temporary Assistance for Needy Families funding to support State partnerships with employers that provide subsidized job opportunities for low-income parents. Such partnerships have proven to be an effective strategy for getting disadvantaged adults back into the workforce.
- At the Department of Housing and Urban Development (HUD), through a combination of base funding and Opportunity, Growth, and Security Initiative resources, the Budget provides \$125 million for the evidence-based Jobs-Plus program, enough to serve 50,000 households with a

combination of job training and financial incentives that has been found to boost annual earnings by \$1,300, on average.

- As part of the Opportunity, Growth, and Security Initiative, investing \$500 million to create new apprenticeships and increase participation in existing apprenticeship programs. The apprenticeship model has been shown to be effective in a quasi-experimental evaluation. This investment, which would be continued for four years, would support doubling the number of apprenticeships in America over the next five years.

Reducing Crime and Recidivism. The Budget supports the Smart on Crime initiative by providing funding for prisoner reentry programs and for Prevention and Reentry Coordinators in U.S. Attorneys' Offices, as well as for Second Chance Act grants and other State and local assistance programs to reduce recidivism and help ex-offenders return to productive lives. Programs that can help reduce recidivism are cost-effective and lead to better outcomes in the criminal justice system. These types of programs have a record of success in both the Federal Government and some States, and these initiatives will help continue to build the evidence base for them more broadly.

Helping Americans Save for Retirement. In the State of the Union, the President announced that he will use his executive authority to direct the Department of the Treasury to create “myRA” – a new “starter” retirement savings account that will be offered through employers and will ultimately help millions of Americans begin to save for retirement. The Budget proposes to establish automatic enrollment in IRAs (or “auto-IRAs”) for employees without access to a workplace savings plan. The proposal draws on behavioral science research, which shows that individuals are far more likely to save in retirement plans if enrollment is the automatic option, with up to 9 out of 10 workers automatically enrolled in a 401(k) plan through their employer continuing to make contributions years later.

Supporting Evidence-Based International Aid Programs. The Budget provides \$1 billion, a \$102 million increase, for the Millennium Challenge Corporation (MCC), which forms multi-year agreements with eligible developing countries to stimulate economic growth and reduce poverty in those nations. The Opportunity, Growth, and Security Initiative provides an additional \$350 million, enough to fund additional compact investments in Ghana, Liberia, Niger, Morocco, and Tanzania. MCC has a robust model for projecting and measuring the impact of its programs in order to make high-return investments in economic development. The Budget also expands investment through USAID in evidence-based maternal and child survival interventions. Among the recent accomplishments of these evidence-based programs are:

- Piloting an approach to saving mothers' lives in the period immediately surrounding childbirth that was found to reduce maternal mortality by one third (USAID Children's Health).
- Over the past six years, helping to increase the share of households owning at least one insecticide-treated bed net by 29 percentage points in 11 priority countries, likely preventing millions of episodes of malaria (USAID Children's Health).
- Funding literacy programs in Morocco that have helped nearly 40,000 fishermen, artisans, and farmers learn to read and write while building business skills (MCC).

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Opportunity for All: Creating a 21st Century Government

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget supports the President's Management Agenda to deliver a 21st Century Government that is more effective, efficient, and supportive of economic growth. The Administration is committed to creating a Government that will make a significant, tangible, and positive difference in the lives of the American people and the economy, and to driving lasting change in how Government works.

The President's Management Agenda is focused on four key elements:

- delivering better, faster, smarter services to citizens and businesses;
- increasing quality and value in the Government's core administrative functions and continuing efforts underway to enhance productivity to achieve cost savings across the Government;
- opening Government-funded data and research to the public to spur innovation and economic growth; and
- unlocking the full potential of today's Federal workforce and build the workforce we need for tomorrow.

Effectiveness: Delivering World Class Customer Service for Citizens and Businesses. Government must build, buy, and deliver services that meet the expectations of a 21st Century society, taking into account the rapid pace of innovation and user experience to which American citizens and businesses are accustomed.

- Improving Key Citizen- and Business-Facing Transactions. The Administration will make it faster and easier for individuals and businesses to complete transactions with Government, online or offline. The Budget builds on initiatives already underway to create high-quality user experiences for services in areas such as veterans' pension and disability applications, Social Security, taxpayer assistance, and a single import/export interface. It also supports efforts to modernize the infrastructure permitting and regulatory review process so that these critical projects can get underway more rapidly while delivering better outcomes for the environment and affected communities.
- Delivering Smarter IT. The Budget advances efforts to deliver smarter IT that focuses on user needs and delivers on intended impact, including investing in new approaches to digital services to provide a world-class customer service experience to citizens and businesses.

Efficiency: Increase Quality and Value in Core Operations and Enhance Productivity to Achieve Cost Savings. To achieve cost savings and maximize the value of our investments, the Administration will streamline the way Government delivers services internally, with a particular focus on the core administrative functions that are common across the Federal Government. The Administration will also continue ongoing efforts to enhance efficiency and identify savings. The Budget will maximize the value of every taxpayer dollar while increasing productivity and the quality of services.

- Expanding the Use of Strategic Sourcing Solutions and of High-Quality, High-Value, Shared Services. Strategic sourcing – the process of leveraging the collective buying power of the Federal Government – has saved over \$300 million since 2010 on commonly purchased goods and services. Continuing to expand these solutions will save money and provide resources for more complex, mission-critical efforts. We will also increase Shared Service efforts in 2015, including transitioning the Department of Housing and Urban Development's core financial management

functions to the Treasury Department. This will be the largest financial management shared service arrangement established to date.

- Establishing Cost and Quality Benchmarks for Core Administrative Functions. Beginning in 2014, the Administration will leverage the Executive Councils, which represent the chief administrative and operating officials at Federal agencies, to establish cost and quality benchmarks in human resources, finance, acquisition, IT, and real property.

The Administration will continue efforts to enhance productivity and reorganize or consolidate Federal programs and agencies to reduce duplication and improve efficiency.

- Calling for Reorganization Authority. The President is again asking Congress to revive an authority enabling him to submit proposals to reorganize the Executive Branch via a fast-track procedure. In effect, the President is asking to have the same authority that any business owner has to reorganize or streamline operations to meet changing circumstances and customer demand. As the President indicated in 2012, if he is given Presidential reorganization authority, his first proposal would be to consolidate a number of agencies and programs into a new Department with a focused mission to foster economic growth and spur job creation. By bringing together the core tools to expand trade and investment, grow small businesses, and support innovation, this reorganization would help American businesses compete in the global economy, expand exports, and create more jobs at home.
- Cutting Improper Payments. Strengthened accountability and transparency led improper payments to decline to 3.53 percent in 2013, and payment recapture audits helped agencies recover \$22 billion. The Administration will continue to pursue improper payment reductions, including helping agencies use data analytics to stop improper payments before they occur.
- Saving on Real Estate Costs. Building on successful “Freeze the Footprint” efforts in the first term, the Administration will begin publicly tracking the Government’s adherence to a fixed real estate baseline in 2014. The Budget also includes \$57 million for the Civilian Property Realignment Act board, which will recommend to Congress Federal properties to be sold, consolidated, co-located, or reconfigured.

Economic Growth: Open Government Assets as a Platform for Innovation and Job Creation. By opening up Government-generated assets including data and the fruits of Federally-funded research and development (such as intellectual property and scientific publications) to the public, Government can empower individuals and businesses to significantly increase the public’s return on investment in terms of innovation, job creation, and economic prosperity.

- Opening Data to Spark Innovation. The Administration has released tens of thousands of data sets to the public since 2009, helping start new ventures, create jobs, and drive innovation while ensuring strong privacy protections. The Administration supports efforts to continue opening Federal data with a high potential for economic impact, including in the areas of health care, energy, education, tourism, and agriculture.
- Accelerating and Institutionalizing Lab-to-Market Practices. The Budget reflects the Administration’s commitment to accelerating and improving the transfer of the results of Federally-funded research to the commercial marketplace by, for example proposing increased

funding for the National Science Foundation’s public-private “Innovation Corps” program to bring discoveries ripe for innovation out of the university lab and increased funding at NIST to increase interagency lab-to-market efforts.

People and Culture: Unlocking the Potential of the Federal Workforce. The Administration is committed to attracting, developing, and retaining the best talent in the Federal workforce, so we can foster a culture of excellence and successfully deliver the highest quality solutions.

- Creating a Culture of Excellence and Engagement to Enable Higher Performance. In 2015, the Administration will support the development of Government-wide enterprise training and resource exchanges across agencies to share best practices and increase leadership development opportunities within government.
- Building a World-Class Federal Management Team. The Administration is taking action to strengthen and broaden the experience base of the Federal executive corps. The Budget includes funding for OPM to build a stronger onboarding program for the Senior Executive Service (SES), as well as leadership and engagement training opportunities for current SES emphasizing diversity and the changing needs of 21st Century workforce.
- Enabling Agencies to Hire the Best Talent from All Segments of Society. Beginning in 2015, the Administration will launch demonstration projects to identify promising practices in recruiting, hiring, onboarding, and deploying talent across agencies. The goal of these projects will be increasing diversity, reducing skills gaps, and improving organizational outcomes.

Setting Goals and Tracking Performance to Improve Results. In implementing the President’s Management Agenda, the Administration remains committed to driving effective Government performance using the framework developed with Congress in the Government Performance and Results Act (GPRA) and the GPRA Modernization Act. We will drive progress in three ways: through a discrete set of Cross Agency Priority Goals, where multiple agencies come together to achieve the result; through Agency Priority Goals where leaders are focused on improved implementation; and through agency strategic plans covering the broad range of outcomes within an agency’s mission. Progress on these goals will continue to be tracked on Performance.gov, the Administration’s public portal for tracking and reporting performance progress.

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Opportunity for All: Empowering All Americans with the Education and Skills They Need

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 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
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 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Americans must be prepared with the skills and knowledge necessary to compete in the 21st Century economy. Expanding educational opportunities is critical to equipping all children with these skills and positioning them to succeed as adults. The Budget includes investments and initiatives to improve all levels of education, from early childhood education through college, as well as significant new efforts to ensure our workforce has the skills needed by American businesses.

ENHANCING ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION

The President believes that all four-year-old children should have access to a high-quality preschool education. Research has shown that supporting children at this stage of life leads to significant benefits in school and beyond. This is particularly true for low-income children, who often start kindergarten academically behind their peers by many months. Providing high-quality early childhood education to all children will enable them to start school ready to learn and realize their full potential.

Supporting Preschool for All. The Budget maintains support for the President's landmark Preschool for All proposal to ensure four-year-olds across the Nation have access to high-quality preschool programs. The proposal, financed through an increase in the Federal tobacco tax, establishes a Federal-State partnership to provide all low- and moderate-income four-year old children with high-quality preschool, while providing States with incentives to expand these programs to reach additional children from middle class families and put in place full-day kindergarten policies. To support this effort, the Budget also proposes to double the current discretionary investment in preschool by funding Preschool Development Grants at \$500 million in 2015. An additional \$250 million would be provided through the Opportunity, Growth, and Security Initiative, for a total discretionary investment of \$750 million. This would be sufficient funding to reach two-thirds of States by 2015, laying a stronger foundation for Preschool for All. These grants will ensure that States willing to commit to expanding preschool access are able to make the critical investments necessary to support high-quality programs.

Investing in High-Quality Infant and Toddler Care. The preschool initiative is coupled with companion investments at the Department of Health and Human Services (HHS) in high-quality care for infants and toddlers. This includes \$650 million in the base Budget and \$800 million in the Opportunity, Growth, and Security Initiative for Early Head Start-Child Care Partnerships, to provide access to high-quality infant and toddler care for more than 100,000 children, and additional resources in the Opportunity, Growth, and Security Initiative to support Head Start grantees who are expanding program duration and investing in teacher quality. In addition, the Budget makes a substantial commitment to maintain the number of children served by the Child Care Development Fund and improve the quality of care, with an increase of \$807 million in combined discretionary and mandatory funds for 2015 and sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Supporting Evidence-Based, Voluntary Home Visiting. The Budget invests \$15 billion in mandatory funds at HHS over the next 10 years to extend and expand evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services and educational supports that improve a child's health, development, and ability to learn. Like Preschool for All, this initiative would be fully financed by raising Federal tobacco taxes, which will also help to discourage youth smoking and save lives.

CONTINUING TO IMPROVE K-12 EDUCATION

Targeting the Achievement Gap through a New Race to the Top Competition. As the 2013 report by the Equity and Excellence Commission made clear, the problem of inequitable opportunities for students in the Nation's highest poverty schools denies those students the quality education needed to compete successfully in the global economy and imposes a substantial economic cost on the country. The Budget acts on the findings in this report by proposing a new \$300 million Race to the Top (RTT) Equity and Opportunity initiative centered on closing the achievement gap. Additional resources will be provided through the Opportunity, Growth, and Security Initiative. The RTT initiative will link together State and local fiscal, student achievement, and human resource data systems, allowing them to work in concert to provide underserved students access to high-quality teachers and evidence-based supports. RTT Equity and Opportunity grants will reward tracking resources at the school level and using data, including return on investment metrics, to target intensive interventions to schools that most need the extra help. The initiative will also leverage resources from other Federal programs, such as Title I Grants and the Statewide Longitudinal Data System Grant program, which the Budget proposes to double in funding to \$70 million.

Supporting Teachers and Helping Prepare Them for the Digital Age. The President has called on the Federal Communications Commission to take steps to connect 99 percent of American students to the digital age through next-generation broadband and high-speed wireless networks in their schools and libraries. The base Budget proposes \$200 million for the ConnectEDucators program to ensure that students receive the full benefit of this connectivity by providing training and high-quality digital instructional resources to teachers to help them make effective use of these new resources. The Opportunity, Growth, and Security Initiative will add \$300 million to this initiative to provide a total of 100,000 teachers in 500 school districts across the country with access to professional development. In addition, the Budget proposes \$5 billion in mandatory funds for RESPECT (Recognizing Educational Success, Professional Excellence, and Collaborative Teaching) grants to support teachers by improving preparation and early career assistance; helping teachers as they lead the transition to college- and career-ready standards; and ensuring that teachers have a supportive work environment.

Redesigning High Schools to Teach Real-World Skills. The President has called for a comprehensive effort to rethink the high school experience, challenging schools to scale up innovative models that personalize teaching and learning for students, so that they receive the rigorous and relevant education needed to graduate and transition into postsecondary learning and adulthood. The Budget provides \$150 million a new program to redesign high school to focus on providing students with challenging, relevant learning experiences that include partnerships with colleges, employers, and other entities designed to enhance instruction and deliver the opportunities students need to gain knowledge and skills that will help them succeed in today's economy. Additional resources will be provided through the Opportunity, Growth, and Security Initiative.

Building on High Priority School Safety. The Budget invests in the President's plan to reduce gun violence and increase school safety, building on efforts underway in 2014. The Budget provides \$80 million to help schools create safer and more nurturing school climates through evidence-based behavioral intervention practices, provide support and services to children exposed to pervasive violence, collect data on school safety and climate and disseminate best practices. This investment will continue the collaboration with the Departments of Justice and HHS to support comprehensive school safety strategies and to increase access to mental health services.

Preparing Students for STEM Careers. The Budget proposes a fresh Government-wide reorganization of science, technology, engineering, and mathematics (STEM) education programs designed to enable more strategic investment on STEM education and more critical evaluation of outcomes. This proposal reduces fragmentation of STEM education programs across Government, and focuses on efforts around the five key areas identified by the Federal STEM Education 5-Year Strategic Plan: P-12 instruction; undergraduate education; graduate education; broadening participation in STEM to women and minorities traditionally underrepresented in these fields; and education activities that typically take place outside the classroom.

The Budget invests in:

- Recruiting, preparing and supporting excellent STEM teachers, with \$40 million to support the President's goal of preparing 100,000 excellent STEM teachers and \$20 million to launch a pilot STEM Master Teacher Corps.
- Supporting more STEM-focused high schools and districts, with an investment of \$110 million to create new STEM Innovation Networks to better connect school districts with local, regional, and national resources to transform P-12 teaching and learning; and
- Improving undergraduate STEM education, with \$118 million for the National Science Foundation (NSF)'s efforts to improve retention of undergraduates in STEM fields and improve undergraduate teaching and learning in STEM subjects to meet the President's goal of preparing 1 million more STEM graduates over the next decade.

Advancing K-12 Reforms through Programs Showing Results. The Department of Education has focused its reforms on evidence building and improving outcomes. ED's most mature reforms are its signature K-12 initiatives—RTT, Investing in Innovation (i3), School Incentive Grants (SIG), the Teacher Incentive Fund (TIF) and Promise Neighborhoods—which have contributed to a sea change in how schools across the Nation deliver education. The Budget continues to invest in these priority programs, the successes of which are now becoming apparent:

- States have made major reforms in their teacher and principal evaluation policies, supported by investments in TIF and RTT that will help identify, reward, and support effective teachers and principals.
- The i3 program is helping to uncover what works in education through rigorous evaluations of projects focused on supporting our educators in delivering effective instruction; ensuring successful implementation of high-quality standards and assessments; and improving our low-performing schools.
- By next year, nearly 40 percent of the Nation's 5,000 lowest achieving schools will be implementing turn-around strategies; early data indicate significant achievement gains in many of the SIG schools that outpace the national average.
- Forty-six States are implementing rigorous college- and career-ready academic standards and nearly all will field test performance-based assessments tied to those standards this spring, a movement fueled by previous RTT grants. The eight States that implemented college- and career-ready standards (as part of RTT) in time for the latest National Assessment of Educational Progress exams showed improvement from 2009 to 2013 in either reading or math scores, and large cities made even greater gains.
- The President named the first five Promise Zones earlier this year, and will create up to an additional 15 Promise Zones in the year ahead. In support of the goals of this initiative, the Budget

requests \$100 million to support current Promise Neighborhoods and create up to five more and adds \$200 million through the Opportunity, Growth, and Security Initiative to support another 35 awards.

MAKING A HIGH-QUALITY COLLEGE EDUCATION MORE AFFORDABLE

The President has placed a high priority on making college affordable and helping Americans obtain a meaningful college degree. Beginning in 2009, the Administration has increased the maximum Pell Grant by \$1,000, to \$5,730 in school year 2014-15, and provided additional tax benefits to help families pay for college. The Administration ended the inefficient guaranteed student loan program and used those savings to fund the Pell Grant program, and has expanded the income repayment options available to borrowers to manage their student loan debt. In 2013, the Department of Education introduced the College Scorecard for prospective students and the President announced the development of a college ratings system. The Budget builds on this progress and charts a path forward on the President's plan to make college more affordable.

Improving Performance and Outcomes in Higher Education. To drive performance and improve outcomes in higher education, the Budget:

- Supports the development and refinement of the new college ratings system announced in August, through funding for data initiatives or other necessary projects;
- Provides new College Opportunity and Graduation Bonuses to reward colleges for improving educational outcomes for low- and moderate-income students;
- Provides Pell Grant eligibility to students who are co-enrolled in adult and postsecondary education as part of a career pathway program to allow adults without a high school diploma to gain the knowledge and skills they need to secure a good job; and
- Strengthens academic progress requirements in the Pell Grant program to encourage students to complete their studies on time.

Promoting Innovation and Competition in Higher Education. There are many promising reforms at both the State and institutional levels that the Administration seeks to encourage. In particular, there is the potential for breakthroughs on cost and quality through State reforms –such as performance-based funding and strong alignment between the K-12, post-secondary, and workforce systems—and institutional innovations, such as accelerated degrees and competency-based education. The Federal Government can act as a catalyst for innovation by investing in promising policies and practices and challenging States and higher education institutions to offer students a greater range of affordable, high-quality options. The Budget:

- Increases investment in the First in the World fund to \$100 million, which will support and test promising institutional innovations and practices that improve educational outcomes and make college more affordable for students and families;
- Proposes a \$4 billion mandatory fund to support States that are committed to investing in higher education and improving performance and outcomes at their public higher education institutions;
- Provides \$75 million for College Success Grants to support sustainable strategies to reduce costs and improve student outcomes at Minority Serving Institutions;
- Funds pilot and demonstration programs to test various approaches that improve student outcomes, supports post-secondary evaluation; and

- Provides for more frequent data collection through the National Postsecondary Student Aid Survey; and spurs innovation through the creation of model public-private partnerships in adult education to increase access to high-quality programs and improve participant outcomes.

Ensuring that Student Debt Remains Affordable. The Administration is helping student borrowers with existing debt manage their obligations through income-driven repayment plans such as Pay-As-You-Earn (PAYE) that cap student loan payments at 10 percent of discretionary income. The Department of Education has contacted struggling borrowers to make sure they are aware of these new options, and ensure that they have the information they need to choose the best one for them. The Budget proposes to extend PAYE to all student borrowers and reform the PAYE terms to ensure that the program is well-targeted and provides a safeguard against rising tuition at high-cost institutions.

PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES

As the economy changes, training and employment programs must continually innovate and improve to make the most of constrained resources and help American workers gain the skills to find good jobs and move up the career ladder. The Administration believes we should be doing everything we can to make it easier for people who need help to find a job or build their skills for a better one, and for employers who need to find qualified workers.

Investing in Training and Employment Services. The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Opportunity, Growth, and Security Initiative will add another \$750 million to restore prior cuts to these grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

Creating New Pathways to Jobs and Careers. The Budget includes \$1.5 billion in the Opportunity, Growth, and Security Initiative to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year's funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Streamlines the Delivery of Training. More than 40 Federal programs across the Government deliver job training and related employment services. The Administration is exploring opportunities to streamline access, more fully engage employers to ensure that training is well matched to jobs, and improve efficiency and employment outcomes. For example, the Budget proposes a New Career Pathways program that will reach as many as one million workers a year with a set of core services, combining the best elements of two existing programs—Trade Adjustment Assistance for Workers and

WIA Dislocated Workers. The Administration is proposing strong accountability for outcomes and ensuring that the needs of all job-seekers and workers, including those with barriers to employment, continue to be met.

Driving Better Performance and Innovation. The Budget invests an amount equal to 5 percent of WIA formula grants in driving innovation and performance at the State and local level through \$60 million in the Workforce Innovation Fund, to support innovative State and regional approaches to service delivery and \$80 million for revamped WIA incentive grants to reward States that succeed in serving workers with the greatest barriers to employment. Combined, these funds will fuel innovative approaches to workforce system service delivery and incentivize better program coordination to serve those who need the most help to find high-quality jobs.

Advancing Sector Strategies. The Budget includes \$15 million to support grants to States, consortia of States, or regional partnerships to develop employment and training strategies targeted to particular in-demand industry sectors. This promising approach ensures close collaboration between the workforce system and employers, ensuring that training programs impart skills that are relevant to jobs employers are planning to fill.

Helping the Long-Term Unemployed Transition Back to Work. As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget:

- Makes an investment of \$158 million in reemployment and eligibility assessments and reemployment services (REA/RES), an evidence-based approach to speed the return to work of Unemployment Insurance (UI) beneficiaries, to reach those who are most likely to exhaust their UI benefits, as well as all recently separated veterans transitioning to civilian jobs;
- Provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a short-term work placement, and support other strategies for getting UI claimants back to work more quickly;
- Provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately 1 million long-term unemployed workers for new jobs; and
- Supports extension of emergency unemployment benefits for the 1.7 million Americans who have lost this vital economic lifeline. Economists have estimated that extending unemployment insurance would provide significant returns, leading to 240,000 more jobs.

Supporting Work Opportunities for Low-Income Parents. The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This approach proved to be an effective strategy for getting disadvantaged adults back into the workforce in recent years, and the Budget proposes to build on that success.

Helping Individuals with Disabilities to Remain in the Workforce. In addition to the Administration's continued commitment to Vocational Rehabilitation programs, the Budget provides new authority and \$400 million in new resources for the Social Security Administration, in partnership

with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures have the potential to achieve long-term gains in the employment of people with disabilities, and the proposed demonstration authority will help build the evidence base for future program improvements.

Investing in Health Professions Education to Improve Access to Health Care Providers and Services. The Budget invests in the health care workforce to improve access to health care services, including support for 15,000 providers in the National Health Service Corps that will serve areas across the country that need them most. In addition, the Budget creates new graduate medical education residency slots in primary care and other high need specialties. Most of these new residents will be trained in community based settings, including rural and underserved areas.

Supporting Veterans' Educational Goals. VA's readjustment benefit programs provide valuable military recruitment and retention incentives and help smooth the transition to civilian status. These benefits include the Post-9/11 GI Bill, the most extensive educational assistance program since the World War II era GI Bill. The Budget includes nearly \$15 billion for educational and vocational rehabilitation benefits for eligible veterans and dependents.

Putting Veterans to Work Preserving and Restoring America's Land and Resources. The Budget also proposes \$1 billion to create the Veterans Job Corps program that would put thousands of veterans back to work over the next five years protecting and rebuilding America. In addition, the Department of Interior's historic National Parks Centennial Initiative will engage hundreds of veterans to upgrade and rebuild national parks.

Helping American Workers Launch and Sustaining Small Businesses. The Budget funds training to launch and sustain small businesses, such as through the Small Business Administration's Boots to Business initiative that provides veterans transitioning to civilian life with the training and tools they need to start their own businesses, and SBA's Entrepreneurship Education initiative that funds training in business practices for small and promising businesses.

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Opportunity for All: Supporting Women and Girls

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to create opportunity for women and girls, including:

Promoting Equal Pay for Equal Work. According to the latest Census statistics, full-time working women earn 77 cents to every dollar earned by men, and the gap is significantly greater for women of color. The Budget makes important investments to help ensure that women receive equal pay for equal work. It provides additional resources to strengthen the pay discrimination enforcement efforts of the Department of Labor's Office of Federal Contract Compliance Programs and maintains strong support for the Equal Employment Opportunity Commission, agencies that work to secure equal employment opportunities for all workers.

Encouraging State Paid Leave Initiatives. Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

Raising the Minimum Wage to \$10.10. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wage so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The Administration is ready to work with the Congress to pass legislation to increase the minimum wage as soon as possible. More than half of the workers who would benefit from a minimum wage increase are women. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under certain new and replacement Federal service, construction, and concession contracts.

Continuing Efforts to Combat Violence Against Women. The Budget provides \$423 million to reinforce efforts to combat and respond to violent crimes against women. As a result of prior investments in this area, civil and criminal justice systems are more responsive to victims, and crimes of violence committed against women have declined in recent years. Yet, reducing such violence and meeting the needs of the almost 1.3 million women victimized by rape and sexual assault annually, and the nearly seven million victims of intimate partner violence each year, remains a critical priority. This funding includes \$193 million for STOP Grants to Combat Violence Against Women, \$27 million for the Sexual Assault Services Program (SASP), and \$11 million to reduce violent crimes against women on campus. The Budget also provides \$35 million for a new grant program for communities to develop coordinated teams to address their untested sexual assault kits at law enforcement agencies or backlogged at crime labs. These grants will bring law enforcement agencies, prosecutors, victim, advocates, and crime labs together to address the problem.

Supporting Victims of Domestic Violence and Human Trafficking. The Budget provides \$140 million for shelters, supportive services, and a national hotline for victims of domestic violence. The Budget also includes \$10 million for a Department of Health and Human Services (HHS) initiative to prevent and address domestic human trafficking in addition to anti-trafficking efforts by the Departments of Justice and Homeland Security. This initiative will provide direct services to domestic victims of trafficking, train service providers, and invest in data collection, research, and evaluation.

Addressing Sexual Assault in the Military. Sexual assault remains a significant problem in the military, just as in the civilian world. Secretary Hagel has ordered the Department of Defense (DOD) to undertake 16 distinct initiatives aimed at eliminating sexual assault from the military, including major efforts to ensure an appropriate command climate for every member, accountability for perpetrators and commanders, and proper care and services for victims—including dedicated legal representation throughout the reformed military justice process. The Budget provides the funds needed to implement these initiatives and to continue making improvements to DOD’s sexual assault prevention and response programs.

Renewing Efforts to Promote Juvenile Justice and Fight Youth Violence. The Budget proposes \$299 million for the Department of Justice’s Juvenile Justice Programs and includes evidence-based investments to prevent youth violence. These investments include \$18 million to fund the Community-Based Violence Prevention Initiative and \$4 million for the National Forum on Youth Violence Prevention. Further, the Budget makes available \$23 million for research and pilot projects focused on developing appropriate responses for youth exposed to violence.

Enhancing Access to High-Quality Early Childhood Education. To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child’s health, development, and ability to learn.
- Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served by the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Expanding the Child and Dependent Care Tax Credit for Children Under Age Five. In recognition of the higher costs of high quality day care for infants and small children, the Budget proposes to expand the Child and Dependent Care Tax Credit tax credit. In addition to the current credit, taxpayers with up to two children under age five would be eligible for an additional credit on total expenses up to \$4,000 per child.

Preventing Teen Pregnancy. The Budget continues funding for evidence-based models that prevent teenage pregnancy to build on the significant progress that has been made in this area.

Increasing Access to Health Care Providers in High-Need Communities. The Budget supports the training of new primary care practitioners, and other physicians in high-need specialties. The Budget proposes \$5.23 billion over ten years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services. The Budget also invests \$3.95 billion over the next six years to scale up the National Health Services Corps to place 15,000 health care providers annually in the areas of the country that need them most, a net increase of more than 6,000 health care providers compared to the current field strength of the program.

Ensuring Quality, Affordable Health Care for Women and Girls. The Affordable Care Act ensures that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured. Efficiently and effectively implementing the ACA is one of the Administration's highest priorities. Women have already benefitted from the ACA; no longer can women be charged more for insurance just because of their gender or for pre-existing conditions, and women are now receiving preventive care without copays, co-insurance or deductibles. Finally, as of this year, millions of women and families across the country enrolled in either private insurance through the Health Insurance Marketplace or for coverage through Medicaid. Americans have the security of knowing that if they want to change jobs or start their own business, they will have access to health insurance for their family. Additionally, premium tax credits and cost sharing assistance are making coverage affordable.

Supporting Women-Owned Businesses. The Budget includes Small Business Administration funding to support the operations of more than 100 Women's Business Centers. These centers annually provide counseling and training to more than 120,000 women entrepreneurs looking to expand or start small businesses. In addition, the Budget continues support for the Women's Business Council to serve as an independent source of advice and policy recommendations on issues of economic importance to women business owners.

Ensuring Workers Receive the Pay and Overtime They Earned. The Budget provides an increase of more than \$41 million for the Department of Labor's Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed

EITC expansion will benefit 13.5 million workers, including 6.1 million women. These changes will be paid for by closing high-income tax loopholes.

Supporting Affordable Rental Housing for 4.5 Million Families. The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. Together, HUD's core rental assistance programs serve 4.5 million households, more than 75 percent of which are headed by females. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for the Department of Housing and Urban Development's Homeless Assistance Grants, \$301 million above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains more than 330,000 HUD-funded beds that assist the homeless nationwide. Through this investment as well as collaborative partnerships with local governments, non-profit organizations, and among Federal agencies, the Administration will continue to make progress towards the President's ambitious goals to end homelessness across the country, including the goal to prevent and end homelessness for families, youth, and children by 2020.

Supporting Nutrition for Women, Children and Infants. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development.

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Opportunity for All: Expanding Opportunities for People with Disabilities

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

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WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
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 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
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 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to expand opportunities for people with disabilities, including:

Helping Workers with Disabilities Remain in the Workforce. In addition to the Administration's continued commitment to Vocational Rehabilitation programs, the Budget provides new authority and \$400 million in new resources for the Social Security Administration (SSA), in partnership with other Federal agencies, to test innovative strategies to help people with disabilities remain in the workforce. Early-intervention measures, such as supportive employment services for individuals with mental impairments, targeted incentives for employers to help workers with disabilities remain on the job, and opportunities for States to better coordinate services, have the potential to achieve long-term gains in the employment and the quality of life of people with disabilities, and the proposed demonstration authority will help build the evidence base for future program improvements. The proposed childless worker EITC expansion will also benefit over one million workers with disabilities, encouraging and supporting them in maintaining employment.

Supports Minimum Wage protections for individuals with disabilities. Under current law, workers whose productivity is affected because of their disabilities may be paid less than the wage paid to others doing the same job under certain specialized certificate programs. Under an Executive Order issued earlier this year, all individuals working under new service, construction, or concessions contracts with the Federal Government will be covered by the same \$10.10 per hour minimum wage protections.

Improving Customer Service at the Social Security Administration. As part of the Administration's management agenda focus on improving key citizen- and business-facing transactions, the Budget includes \$100 million for a new customer service modernization initiative to significantly improve Internet and in-person services at the Social Security Administration, including for seniors and individuals with disabilities. The Opportunity, Growth, and Security Initiative includes \$150 million in additional funding to further reduce wait times and enhance services for the public.

Encouraging Innovation to Improve Outcomes for People with Disabilities. The Budget seeks authority for the Department of Education to operate a Disability Innovation Fund (DIF) to support innovative activities aimed at improving employment outcomes for individuals with disabilities. Of the total amount of Vocational Rehabilitation funds that remain available at the end of 2015, the Administration proposes to set aside \$15 million to support projects designed to identify innovative transition services for youth with disabilities that lead to postsecondary education and/or competitive employment. The balance of funds would be used to improve services and outcomes for individuals with disabilities in the workforce system, support projects designed to improve outcomes for disconnected youth with disabilities, and continue to support the Promoting Readiness of Minors in SSI (PROMISE) pilot, initiated in 2012. Since 2012, the Department of Education, in consultation with the Social Security Administration and Departments of Labor and Health and Human Services, has provided \$201 million to test and evaluate interventions that successfully improve child and family outcomes and reduce the need for children to remain in the SSI program.

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time

minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). About 10 percent of those who would benefit, of 1.3 million workers, have a self-reported disability. These changes will be paid for by closing high-income tax loopholes.

Improving Services for Children and Individuals with Disabilities. The Budget helps ensure individuals with disabilities receive services in the most appropriate setting by extending and improving the Money Follows the Person Rebalancing demonstration. This demonstration helps States provide opportunities for the elderly and individuals with disabilities to transition from institutions to the community and to rebalance their long-term care systems. Additionally, the Budget supports the Administration for Community Living's new initiative to develop best practices and an evidence base to better support young people with intellectual and developmental disabilities as they transition from adolescence into young adulthood across all systems—health, education, employment, human services, and community living.

Maintaining Funding for the Education of Children with Disabilities. The Budget continues the Department of Education's commitment to supporting education for students with disabilities, providing \$11.6 billion for the Individuals with Disabilities Education Act (IDEA) Grants to States to provide a high quality education and help offset State and local education costs for children with disabilities. Within the \$11.6 billion, the Budget includes \$100 million for Results Driven Accountability (RDA) incentive grants to improve special education services for children with disabilities. States awarded these grants will identify and implement promising, evidence-based reforms while also building State and local capacity to improve long-term outcomes. This program will support States during the implementation of RDA, which shifts the focus of the Department's monitoring efforts from compliance to improved results for infants, toddlers, children, and youth with disabilities.

Supporting Disability Research. The Budget provides \$108 million, a \$4 million increase over the 2014 enacted level, for the National Institute on Disability and Rehabilitation Research (NIDRR). NIDRR conducts comprehensive and coordinated programs of research and related activities to maximize the full inclusion, social integration, employment, and independent living opportunities of individuals with disabilities of all ages. NIDRR will use the proposed increase to strengthen its employment portfolio.

Providing Housing for Persons with Disabilities. Providing supportive housing for very low-income people with disabilities helps a population often at risk of homelessness or institutionalization. The HUD Housing for Persons with Disabilities program (Section 811) subsidizes developments that provide a platform for disabled persons to live independently in integrated community-based settings. The Budget provides \$160 million to continue current assistance and expand this housing by about 800 units.

Supporting New Transit Investments. The Budget nearly doubles annual transit investment over the prior reauthorization, with resources supporting both existing capacity and capacity expansion (New Starts) in projects involving bus, rapid transit, subway, light rail, and computer rail systems. These investments are driven by data showing that demand for public transit continues to climb, and would represent a historic increase in transit funding. These investments enable a major expansion of new transit projects, which are particularly beneficial to the disabled community, in suburbs, fast-growing

cities, small towns, and rural areas across the country, while meeting the growing needs of established – and aging – transit systems.

Preventing Hunger. The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation’s nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities.

Caring for Wounded, Ill, and Injured Servicemembers. To provide quality health care for the Nation's 9.6 million eligible military beneficiaries, the Budget provides \$47.4 billion for the Department of Defense (DOD) Unified Medical Budget to support the DOD Military Health System. The Budget sustains strong programs that support wounded, ill, and injured servicemembers, including those disabled as a result of their service, and their families and help servicemembers transition into civilian life and the workforce.

Advancing Medical and Prosthetic Research. The Budget includes \$589 million for medical and prosthetic research to support veterans wounded in service. As part of the largest integrated health care system in the United States, the VA research program benefits from clinical care and research occurring together, allowing research to be directly coordinated with the care of veterans.

Strengthening Medicare. The Medicare proposals in the Budget would extend the solvency of the Hospital Insurance trust fund by approximately five years. The Budget proposes a robust set of initiatives to strengthen Medicare by implementing payment innovations that encourage high quality and efficient care.

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Opportunity for All: Investing in American Innovation

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Creating jobs that pay good wages is the best way to grow our economy and the middle class. To compete in the 21st Century economy and make America a magnet for job creation and opportunity, we need to invest in American innovation, strengthening our manufacturing base and keeping our nation at the forefront of technological advancement. And to ensure our energy security and address global climate change, we must continue to focus on domestic energy production, the development of clean energy alternatives, and the promotion of energy efficiency. The Budget therefore includes investments in advanced manufacturing, research and development (R&D), and clean energy and energy efficiency technologies.

Making America a Magnet for Jobs. The President is committed to making America a magnet for jobs and manufacturing so that we can create new opportunities for American workers.

- *Transforming Communities into World-Leading Centers of Advanced Manufacturing.* To support investment and accelerate innovation in U.S. manufacturing, the President has called for the creation of a national network of manufacturing innovation institutes across the country. Leveraging the strengths of a particular region, each institute will bring together companies, universities and community colleges, and Government to co-invest in the development of world-leading manufacturing technologies and capabilities that U.S.-based manufacturers can apply in production. Through a combination of base discretionary funds and the Opportunity, Growth, and Security Initiative, and building on the four institutes already launched and the five additional institutes expected to be launched in 2014, the Budget supports the President's goal announced last summer of creating 45 new manufacturing innovation institutes over 10 years.
- *Expanding SelectUSA to Attract Investment to Our Shores.* In 2011, the President launched SelectUSA at the Department of Commerce, creating the first Federal effort to actively attract business investment in the United States. Building on the \$7 million provided in the Consolidated Appropriations Act, the Budget supports the President's proposal to significantly expand and enhance SelectUSA, using a whole of Government approach.
- *Providing Incentives for Manufacturing and Insourcing.* Recent productivity growth has made the U.S. more competitive in attracting businesses to invest and create jobs by reducing the relative cost of doing business compared to other countries. But further progress is possible. That's why the Budget creates a tax incentive to bring offshore jobs and investments back into the U.S., and reduces tax benefits in current law for expenses incurred to move U.S. jobs offshore. In addition, because the loss of a major employer can devastate a community, and incentives could encourage investments that help such communities recover more quickly, the Budget provides a tax credit for these communities to spur re-investment and economic revitalization.

Investing in Research & Development. Scientific discovery, technological breakthroughs, and innovation are the primary engines for expanding the frontiers of human knowledge and are vital for responding to the challenges and opportunities of the 21st Century. We look to scientific innovation to promote sustainable economic growth and job creation, improve the health of all Americans, move us toward a clean energy future, address global climate change, manage competing demands on natural resources, and ensure the security of the Nation. Science and engineering research is a valuable source of new knowledge that has driven important developments in fields ranging from telecommunications to medicine, yielding high economic and social rates of return and creating entirely new industries with highly-skilled, high-wage jobs.

Continuing our commitment to world-class science and research, the Budget provides \$135 billion for R&D, while targeting resources to those areas most likely to directly contribute to the creation of transformational technologies that can create the businesses and jobs of the future. The base Budget increases R&D above 2014 enacted levels and provides further support for R&D and clean energy activities through an additional \$5 billion in the Opportunity, Growth, and Security Initiative to drive progress in several key areas.

- *Advanced Manufacturing.* In the area of manufacturing, the Budget will support the development and scaling of new advanced manufacturing technologies, including increasing research in the National Institute of Standards and Technology's labs, helping smaller manufacturers adopt new technologies to increase their competitiveness, and accelerating the transfer of new technologies from Federal labs to industry. The Budget provides the Department of Energy's Advanced Manufacturing Office \$305 million to develop and commercialize emerging energy-efficient and cross-cutting manufacturing technologies, including through Clean Energy Manufacturing Innovation Institutes, strengthening U.S. competitiveness and increasing industrial energy productivity. In addition, the Opportunity, Growth, and Security Initiative provides support to firms to scale-up new advanced manufacturing technologies into full-scale commercial production.
- *Health Care R&D.* In the area of health care, the Budget, including the Opportunity, Growth, and Security Initiative, will support biomedical research at the National Institutes of Health, providing about 9,500 new NIH grants that will help us better understand the fundamental causes and mechanisms of disease. It will help us in the fight against Alzheimer's disease, cancer and other diseases that affect millions of Americans. It will support NIH's contribution to the multi-agency BRAIN initiative, which will help revolutionize our understanding of how the human brain processes, stores and retrieves information. And it will allow for the development of a new health research program modeled after the Defense Advanced Research Projects Agency (DARPA) designed to fund innovative projects designed to accelerate the discovery of life-saving treatments and cures. The Opportunity, Growth, and Security Initiative would amplify these investments by providing funding for additional new NIH grants while also increasing funding for the NIH DARPA-like initiative and the BRAIN Initiative.
- *Agriculture R&D.* In the area of agriculture, the Budget includes funding for the Agriculture and Food Research Initiative competitive research program, supporting research in areas important to American agriculture, such as bioenergy, food security, water, obesity prevention, and food safety. The Budget also includes funding to support three multidisciplinary institutes, including ones dedicated to advanced bio-based manufacturing and anti-microbial research. The Opportunity, Growth, and Security Initiative includes additional funding to support competitive research and construction of a new biosafety research laboratory in Athens, GA.
- *Supporting Private-Sector R&D by Reforming and Making Permanent the Research and Experimentation Tax Credit.* The Research and Experimentation (R&E) Tax Credit is an important Federal incentive for private-sector R&D. But the R&E Tax Credit is less effective than it could be in spurring additional R&D because it is complicated and temporary. Currently, businesses must choose between using a complex, outdated formula that provides a 20 percent credit rate and a much simpler one that provides a 14 percent credit rate. The Budget would increase the rate of the simpler credit to 17 percent, which would make it more attractive and simplify tax filing for businesses. In addition, the Budget makes the R&E credit permanent to provide certainty and increase effectiveness.

Investing in Homegrown Clean Energy. In order to secure America’s energy future and cut carbon pollution to protect our children from the impacts of climate change, the Budget invests in clean energy, improving energy security, and enhancing preparedness and resilience to climate change. For example, increased funding is proposed for clean energy technology investment at the Department of Energy’s Office of Energy Efficiency and Renewable Energy and the Advanced Research Projects Agency – Energy, building on the Administration’s success in reducing our dependence on foreign oil, promoting energy efficiency, and doubling U.S. renewable electricity generation. The Opportunity, Growth, and Security Initiative would provide additional investment, focusing on applied research at the Department of Energy to accelerate the development and deployment of new energy efficiency and renewable energy technologies – such as higher-performing electric drive motors, batteries, and ultra-light materials and composites to enable electric vehicles to be as affordable and convenient as the gasoline powered vehicles we drive today; and technological advances to make renewable electricity as inexpensive and accessible as traditional sources of electricity. These investments are critical components of the President’s Climate Action Plan, bringing about a clean energy economy with new businesses, jobs, and opportunities for American workers.

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Opportunity for All: Standing With Indian Country

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

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 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
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 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

“The United States seeks to continue restoring and healing relations with Native Americans and to strengthen its partnership with tribal governments, for our more recent history demonstrates that tribal self-determination -- the ability of tribal governments to determine how to build and sustain their own communities -- is necessary for successful and prospering communities.” - Executive Order Establishing the White House Council on Native American Affairs, June 26, 2013

The United States recognizes a unique Nation-to-Nation relationship with each of the 566 Federally recognized tribes in the U.S. The Budget supports tribal self-determination and Federal treaty and trust responsibilities to Native Americans through a wide range of direct services and funding for programs that are administered by tribes. The Congress has placed the trust responsibility for Indian matters in the Department of the Interior (DOI), primarily within the Bureau of Indian Affairs (BIA). However, there are more than 20 Federal departments and agencies that collectively provide services to more than two million American Indian and Alaska Native peoples, similar to those provided to the general public.

Strengthening Tribal Nations. The Administration strongly supports the principle of tribal self-determination and improved outcomes across Indian Country, with \$2.6 billion provided in the Budget for the BIA, which is a \$34 million increase above the 2014 enacted level. The Budget provides strong support for tribal priorities, including full funding for Contract Support Costs, increases for social services, and a continued emphasis on economic development, sustainable stewardship of natural resources, and community safety in Indian Country. Highlights of the BIA budget include the following:

- *Promoting Tribal Self-Governance through Full Funding for Contract Support Costs.* Contract Support Costs are fully funded at the estimated need of \$251 million for tribes that administer BIA programs under self-determination and self-governance contracts.
- *Supporting Strong and Resilient Families through the Tiwahe (Family) Initiative.* As part of the President’s commitment to protecting and promoting prosperous tribal communities, the Budget proposes a \$12 million increase for the Tiwahe Initiative, which provides a comprehensive and integrated approach to addressing the interrelated problems of poverty, violence, and substance abuse in Native American communities. Through this initiative, social services and job training programs will be integrated and expanded to address child and family welfare, job training, and incarceration issues, with the a goal of promoting family stability and strengthening tribal communities.
- *Supporting the Sustainable Stewardship of Trust Resources and Lands.* The Budget strongly supports the sustainable stewardship of natural resources in Indian Country, including the protection and restoration of ecosystems and important landscapes, stewardship of land, water, ocean, and energy resources, and climate resilience in Native American communities. The Budget increases funding for the implementation of Indian water rights settlements by \$14 million across DOI, and also provides increases totaling \$5 million for BIA Natural Resources to support the management of land, water, and energy resources.

Advancing Indian Education and Economic Opportunity. The Budget strongly supports improved educational outcomes in Indian Country and provides \$79 million for elementary, secondary, and post-secondary programs. Increases totaling \$6 million will support Bureau of Indian Education (BIE) programs, efforts to evaluate and improve educational outcomes, school construction, technical

colleges, adult education and training, and post-graduate fellowship opportunities. The Opportunity, Growth, and Security Initiative provides additional resources for incentivizing improved educational outcomes in BIE funded schools and a series of investments in improving educational quality. The Initiative also includes investments in BIA programs that support economic development and address income vulnerability in Indian Country, as well as funding for the Legal Services Corporation, which assists millions of low-income Americans each year with essential civil legal services in areas, such as housing and consumer protection. In addition, the Budget supports the State-Tribal Education Partnership (STEP) program at the Department of Education, by directing Indian Student Education National Activities funds towards a new round of STEP capacity-building awards to Tribal Education Agencies in 2015, and by continuing the STEP program in the proposed Elementary and Secondary Education Act reauthorization. The Budget also makes a series of investments in improving educational quality and opportunities in all of our Nation's schools, from the earliest years through college.

Improving Access to Health Care for American Indians and Alaska Natives (AI/ANs). The Budget includes \$4.6 billion for the Indian Health Service (IHS), \$200 million above 2014, to strengthen Federal, tribal, and urban programs that serve more than two million AI/ANs at more than 650 facilities in 35 States. Contract Support Costs are fully funded within the IHS budget at the estimated full cost, \$617 million. The Budget provides increased resources to purchase health care services outside of the Indian health system when services are not available at IHS-funded facilities. To increase access to health care services and improve the Indian health system, the Budget also funds construction of, and staffing at, new and replacement health clinics. Finally, the Opportunity, Growth and Security Initiative includes an additional \$200 million for the construction of Indian Health Service health care facilities, which on average are 25 years older than facilities that serve the general public.

Increasing Access to Health Care Providers in High-Need Communities. To support the training of primary care practitioners, and other physicians in high-need specialties, the Budget proposes \$5.23 billion over 10 years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services.

The Budget also invests \$3.95 billion over the next six years to scale up in the National Health Services Corps to place 15,000 health care providers annually in the areas of the country that need them most, a net increase of more than 6,000 health care providers compared to the current field strength of the program.

Ensuring Quality, Affordable Health Care by Implementing the Affordable Care Act. The Affordable Care Act ensures that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured. Last year, Health Insurance Marketplaces were launched, providing a competitive marketplace for millions of Americans with "one stop shopping" for affordable coverage. The Affordable Care Act also provides premium tax credit and cost sharing assistance to make coverage affordable and increases Federal support to States expanding Medicaid coverage for newly eligible low-income adults. The Budget provides resources to continue to support these efforts, including the operations of the Marketplace to help individuals enroll in the best health insurance coverage option for themselves and their families.

The Congressional Budget Office has estimated that the Affordable Care Act will reduce the deficit by about \$100 billion over the first decade and by more than \$1 trillion in the second decade. At the same time, the Affordable Care Act has the potential to fundamentally transform our health system into one that delivers better care at lower cost.

Addressing the Scarcity of Healthy, Safe, Affordable Housing in Indian Country. The Budget provides \$650 million for the Department of Housing and Urban Development's (HUD) Native American Housing Block Grant program. This program helps mitigate the severe housing needs many Native Americans continue to face, and provides over 550 Tribes with funding for vital housing activities, such as construction, rehabilitation, and operations. In addition, the Budget provides \$70 million for HUD's Indian Community Development Block Grant program. This competitive program provides funds to Tribes for activities such as improving the housing stock, developing community facilities, making infrastructure improvements, and expanding job opportunities.

Partnering with Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones, including one Tribal Zone, earlier this year, and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget includes \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program, \$100 million for the Department of Education's Promise Neighborhoods program, and adds \$200 million in the Opportunity, Growth, and Security Initiative to support another 35 awards. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Combatting Crime and Addressing Justice Needs in Indian Country. The Budget provides \$395 million for Department of Justice (DOJ) public safety initiatives in Indian Country and \$352 million for Public Safety and Justice programs funded by the BIA. DOJ funding is provided for additional grants to address criminal justice issues, including tribal victims of violence, and for supporting the Office of Tribal Justice. BIA Justice funding continues investments in reducing violent crime in Indian Country and supports implementation of a new strategic goal of reducing repeat incarceration in targeted communities through a comprehensive "alternatives to incarceration" strategy that seeks to address underlying causes of repeat offenses, including substance abuse and social service needs through tribal and Federal partnerships.

###

Opportunity for All: Strengthening Partnerships with Nonprofits, Foundation, Faith-Based Institutions And Community-Based Organizations

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President Obama believes that we must work as a team with the entire social sector – including nonprofits, foundations, social enterprises, faith-based institutions and other community organizations – to meet the challenges our communities face. They are a central element of the President’s Ladders of Opportunity agenda, serving as an engine of upward mobility, a source of community resilience, and the last mile of critical social services. Representing 10 percent of the nation’s adult workforce and contributing more than \$800 billion to US GDP, nonprofits also serve as an economic engine for job creation in communities across America. The 2015 Budget seeks to support this critical sector, focusing on increasing the use of evidence and evaluation to drive better results, investing in innovation and impact, and encouraging national service and civic participation.

The Budget strengthens nonprofits, foundations, social enterprises, faith-based institutions and other organizations on multiple fronts:

- Preserves funding for many programs that meet critical community needs;
- Encourages investments in program outcomes, not just outputs;
- Facilitates access to capital and other resources to enable these groups to invest in innovation and scale what works;
- Supports important administrative changes to help existing resources go further in transforming lives and communities.

INCREASES USE OF EVIDENCE TO STRENGTHEN COMMUNITIES

Expands Pay for Success to Drive Results. The Administration is continuing its commitment to expand the Pay for Success program model started in 2012. Pay for Success leverages philanthropic and private dollars to fund preventive services provided by nonprofits and other non-governmental entities up front, with the Government paying investors only after the interventions generate results. This model provides funding for service providers to test new and proven innovations at low risk to the taxpayer. In 2015, the Budget provides up to \$382 million for Pay for Success efforts, including up to \$82 million for initiatives at the Departments of Education, Labor, and Justice and CNCS in the areas of job training, education, criminal justice, housing and other human services. The Administration is also re-proposing a \$300 million Pay for Success Incentive Fund at the Department of the Treasury to help State and local Governments implement Pay for Success programs with philanthropies, nonprofits, and other nongovernmental organizations. The fund will provide credit enhancements for philanthropic investments and outcome payments for successful projects that help reduce government spending. In addition, the Budget proposes a new demonstration allowing HUD to use a Pay for Success model to finance energy efficiency retrofits in HUD-assisted housing through reductions in utility costs.

Expands Performance Partnerships That Provide Flexibility While Demanding Results.

Inconsistent and overlapping Federal program requirements sometimes prevent States and communities from effectively coordinating services or using funding to support strategies that are likely to achieve the best outcomes. In 2015, the Budget expands on existing authority for Performance Partnership Pilots to improve outcomes for disconnected youth. The Department of Justice would join the Departments of Labor, Health and Human Services, and Education, and CNCS in allowing pilots where States, regions, localities, or Federally-recognized tribes can pool a portion of discretionary funds from multiple Federal programs to more effectively serve disconnected youth while rigorously measuring and tracking cross-program outcomes. In addition to sustaining the 10 pilots authorized in

the Consolidated Appropriations Act of 2014, the Budget would authorize up to 10 additional pilots. Performance indicators, such as education and employment outcomes, would be used to gauge progress, and evaluations would study what locally designed strategies work best. The Administration will work with community and nonprofit leaders to explore the potential for similar performance partnerships in other areas, like revitalizing distressed communities and reducing youth violence.

Creates Healthier and Safer Futures for Children Through Better Use of Evidence. The Budget invests in evidence-based approaches to improving the education, development, and health of children, including a major investment in early learning, motivated by strong evidence that quality early childhood education leads to significant benefits later in school and into adulthood. As part of that initiative, the Budget invests \$15 billion in mandatory funds over the next 10 years for the Department of Health and Human Services (HHS) to extend and expand evidence-based, voluntary home visiting programs. These programs enable nurses, social workers, and other professionals to connect families to services and educational supports that improve a child's health, development, and ability to learn and have been found to improve a broad range of outcomes, including school readiness, prevention of child maltreatment, maternal health, parenting, and family economic self-sufficiency. The Budget, through the Opportunity, Growth, and Security Initiative, includes a new youth investment initiative that will incentivize State efforts to increase the availability of alternatives to incarceration, reenroll youth back into school after confinement, and reduce ethnic and racial disparities in the juvenile justice system. Many of these programs, often managed by nonprofit and community organizations, have been shown to be effective in reducing recidivism and helping youth re-integrate into school after confinement. The Budget also invests through the Department of Health and Human Services in evidence-based interventions to reduce the over-prescription of psychotropic medications to foster children and youth and improve outcomes. The Budget provides additional resources to continue a promising pilot at the Department of Agriculture that is proving successful in reducing child hunger in the summer months. And the Budget invests through the Social Security Administration in developing early intervention strategies to help young people with disabilities succeed in the workforce.

INVESTS IN INNOVATIVE NONPROFITS

Strengthens Financing to Scale Proven Community Solutions. Innovative solutions developed in the nonprofit sector and implemented in local communities cannot be carried out unless capital is available to develop, evaluate, and replicate successful approaches. The Budget invests \$70 million in the Social Innovation Fund at the Corporation for National and Community Service (CNCS) to continue the Administration's commitment to support promising new approaches to major challenges, leverage private and philanthropic capital to meet these needs, and grow evidence-based programs that demonstrate measurable outcomes. This funding level includes up to \$14 million for Pay for Success strategies and \$4 million for a pilot to improve grantee access to State and Federal administrative data. This investment has the potential to expand the use of this innovative financial instrument that drive better outcomes that allows government to pay for programs only when they are successful. It can reduce the cost and improve the quality of evaluations and performance reporting, and help break down barriers for all nonprofit organizations looking to demonstrate measurable impact in communities.

Expands Innovation in Education and Workforce Development The Budget continues to build on the success of the Investing in Innovation (i3) Fund at the Department of Education by providing it with \$165 million to grow the evidence base in high-need areas, including identifying and supporting

effective teachers and leaders, improving low-performing schools, and encouraging parent engagement. The Budget also provides \$100 million for the companion First in the World fund at the Department of Education to decrease college costs and improve educational outcomes. To spur innovation, the Budget also provides \$60 million for the Workforce Innovation Fund (WIF) at the Department of Labor, to develop and launch innovative approaches to training and employment service delivery. The WIF proposal includes up to \$10 million for States and regions to test innovations using Pay for Success.

ENGAGES NONPROFITS IN COMMUNITY-BASED SOLUTIONS

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Choice Neighborhoods program of the Department of Housing and Urban Development (HUD) and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for HUD's Homeless Assistance Grants, \$301 million above the 2014 enacted level. In addition, under the Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 homeless veterans. Through this evidence-based investment as well as collaborative partnerships with local governments, non-profit organizations, and among Federal agencies, we will continue to make progress towards two of the President's homelessness goals – ending Veterans homelessness by 2015 and ending chronic homelessness by 2016. Between 2010 and 2013, homelessness among Veterans declined by 24 percent, and the total number of individuals experiencing chronic homelessness declined by 16 percent.

STRENGTHENS NATIONAL SERVICE OPPORTUNITIES

Supports a Record 114,000 AmeriCorps Members. The Budget reinforces the President's commitment to national service, funding a record 114,000 AmeriCorps members and providing new benefits to seniors who serve through AmeriCorps. AmeriCorps members address the critical challenges identified in the Serve America Act: disaster services, economic opportunity, education, environmental stewardship, healthy futures, and veterans and military families. AmeriCorps seeks to expand economic opportunity for all Americans who serve by providing valuable skills, experiences, and support for pursuing higher education. This will result in the most significant expansion of the AmeriCorps program in its 20-year history.

Leverages Service as a Solution. The Budget enables interagency partnerships to leverage AmeriCorps and use national service as a strategy to tackle some of our most important challenges. Building on the July 2013 Presidential Memorandum on Expanding National Service to Advance

Government priorities, and the success of programs such as FEMA Corps and School Turnaround AmeriCorps, CNCS will develop partnerships to create new service corps that meet national challenges and create pathways to opportunity for those who serve. CNCS will collaborate with other Federal Agencies as well as State Service Commissions, higher education institutions, and the nonprofit sector. CNCS also will seek investment from both the corporate and philanthropic communities to expand the size and scope of these new initiatives.

SUPPORTS VOLUNTEERISM

Increases Capacity of Nonprofits to Support Volunteers. Though Americans remain deeply engaged in volunteering, many nonprofits could benefit from management practices to handle this influx of talent. The Budget proposes \$3.1 million will support important activities including the Martin Luther King, Jr. Day of Service, and the ongoing United We Serve initiative to engage more Americans in volunteering. The Budget also requests \$19 million for an expanded Volunteer Generation Fund that will focus on strengthening the ability of organizations to recruit, retain, and manage volunteers. As part of this expansion the Volunteer Generation Fund will incorporate the most competitive RSVP projects to improve efficiency and strengthen volunteer recruitment and retention.

Increases the Standard Mileage Rate for Automobile Use by Volunteers – Under current law, volunteers may take a deduction when they use an automobile in giving services to a charitable organization. In FY15, the Administration is proposing to increase the standard mileage rate for this charitable contribution deduction from a fixed 14 cents per mile to the same rate used for medical and moving expense deductions, currently 23.5 cents per mile. Like the medical and moving expense rates, it also would be adjusted annually to reflect the estimated variable costs of operating a vehicle. This is the first increase since 1997 and will reduce the burden on volunteers, more appropriately allowing them to deduct the costs of their service.

IMPROVES REPORTING REQUIREMENTS AND CREATES INCENTIVES FOR NONPROFITS

Expands E-Filing to All Tax-Exempt Organizations. Currently, the IRS publishes all Form 990 series tax information, the tax form filed by tax-exempt organizations, in a static image format that impedes transparency and analysis of this information. The Administration is building on the FY14 Budget to propose a staged requirement that all tax-exempt organizations file their tax returns electronically and requires the IRS to release those data in a machine-readable format and in an accessible and timely manner. If enacted by Congress, the accessibility of machine-readable data would enable donors and foundations to access tax-exempt organization data more easily and make it easier to perform robust analyses that could facilitate improved capital flows to the sector. This is an important step forward for transparency that will help individuals and philanthropists make better decisions about their charitable contributions and is expected to generate entrepreneurial opportunities as new products and services are created that use these data. The proposal would generally be effective for taxable years beginning after the date of enactment.

Makes Permanent a Series of Incentives for Conservation Easements – Starting in 2007, a series of provisions encouraged additional contributions of conservation easements by significantly expanding the tax benefits landowners may receive when they donate conservation easements on their land to

qualified organizations, such as a land trust or public agency, by raising the maximum annual deduction amount a donor can take and extending the period to claim the donation deduction from 5 to 15 years, in addition to the year of the donation. These provisions expired at the end of 2013. With the FY15 Budget, the Administration is proposing to make these incentives permanent in order to encourage more land conservation, especially of working farm and ranch lands.

Ensures Recipients of Federal Awards are Appropriately Reimbursed. Nonprofits and other entities that receive Federal funds may negotiate a level of reimbursement for their indirect costs, i.e., overhead. But some nonprofits may not have the opportunity or capacity for that type of negotiation process. Therefore, to ensure that all nonprofits and other entities who receive Federal funds are appropriately reimbursed for the allowable indirect costs, OMB has recently issued revised guidance (Title 2 Part 200-“Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”) that provides a minimum reimbursement rate of 10 percent of modified total direct costs, available to recipients which have never received a negotiated indirect cost rate. This rate is available until such time as the non-Federal entity negotiates an indirect cost rate. This ensures that nonprofits receive a minimum reimbursement while they develop the capacity to engage in full negotiations. This new guidance will be implemented for awards issued on or after Dec. 26, 2014.

IMPROVES USE OF DATA AND EVALUATION

Harnessing Data to Understand What Works. As part of the President’s Management Agenda and Open Data Initiative, the Administration continues to seek ways to open up Federal data for private sector innovation and public use, while fully respecting privacy and protecting confidentiality. The Administration is also working to help Federal agencies access and utilize existing Federal data to answer important questions about program outcomes and better serve the American public. Many of these efforts are ongoing and involve leveraging existing data, including linking data on program participants to administrative data on earnings, health, or other outcomes. Such information can be used by foundations and nonprofits to improve their performance by learning “what works.”

In addition, the Budget funds a number of specific efforts to improve the data available for both government and private-sector decision-making, including:

- Providing \$5 million to the Census Bureau to improve the supplemental poverty measure to allow for more accurate analysis of poverty programs, including many that are implemented by nonprofit organizations.
- Providing \$4 million for a pilot program at CNCS to help nonprofits evaluate their impact and performance more effectively and less expensively by accessing Federal and State administrative data.
- Providing \$5 million for a Youth Data Pilot at the Department of Education that would enhance communities’ tracking of multiple outcomes for at-risk youth using existing data sets, by establishing common indicators of youth success, integrating administrative data sources, and developing easy-to-understand scorecards to help drive decision-making.

Learns and Shares What Works. The Budget supports new evaluations across the Government to demonstrate and analyze program impacts in areas ranging from health care to housing, from education

to employment, and from international development to community development. Increasingly, the Administration is investing in helping nonprofits demonstrate the impact not just by funding evaluations, but also by helping nonprofits build their internal evaluation and performance management capacity.

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Opportunity for All: Supporting African American Families

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and create opportunity for African American families, including:

EQUIPPING EVERY AMERICAN WITH A HIGH-QUALITY EDUCATION

Enhancing Access to High-Quality Early Childhood Education. To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child's health, development, and ability to learn.
- Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served by the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Continuing to Improve K-12 Education. The Budget builds on efforts to improve K-12 education with new initiatives.

- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing the academic performance of high-need students and closing the achievement gap, to address the recent findings of the Equity and Excellence Commission and troubling statistics such as the fact that in 2013, not a single black student took the computer science AP exam in 11 states.
- Creates a new, competitive program to redesign high schools to focus on providing students with challenging, relevant learning experiences, and reward high schools that develop new partnerships with colleges, employers, and other partners to enhance instruction and help develop the knowledge and skills students need for success in today's economy, with additional funding in the Opportunity, Growth, and Security Initiative.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity, in part through further investments in the Opportunity, Growth, and Security Initiative, as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.
- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.

Making a High-Quality College Education More Affordable. The Budget helps make college more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system supporting State-driven reforms to improve the performance of higher education institutions, and expanding income-driven repayment options to help student borrowers better manage their loan debt.

Supports Minority Serving Institutions and College Access for Minority Youth. The Budget provides \$75 million for College Success Grants to support sustainable strategies to reduce costs and improve student outcomes at Minority Serving Institutions, including Historically Black Colleges and Universities and Hispanic Serving Institutions. The Budget also sustains funding for GEAR UP and TRIO to help provide support services for students from disadvantaged backgrounds to prepare for, enroll, and complete postsecondary education.

PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES

Investing in Training and Employment Services. The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Budget also invests in driving innovation and performance at the State and local level through the Workforce Innovation Fund and through revamped WIA incentive grants, to reward States that succeed in serving workers with the greatest barriers to employment. The Opportunity, Growth, and Security Initiative would add another \$750 million to restore prior cuts to formula grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

Creating New Pathways to Jobs and Careers. The Budget includes \$1.5 billion in the Opportunity, Growth, and Security Initiative to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year's funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Helping the Long-Term Unemployed Transition Back to Work. As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget invests \$158 million in reemployment and eligibility assessments and reemployment services to speed the return to work of Unemployment Insurance (UI) beneficiaries; provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a short-term work placement, and support other strategies for getting UI claimants back to work more

quickly. And, building upon the Department of Labor's Ready to Work grants, the Budget provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately one million long-term unemployed workers for new jobs.

Supporting Work Opportunities for Low-Income Parents. The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This approach has proven in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

PROVIDING ASSISTANCE TO VULNERABLE POPULATIONS AND INVESTING IN THE HARDEST-HIT COMMUNITIES

Preventing Hunger. The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Supporting Healthy Eating. The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development. The Budget also provides \$35 million in grants for the Administration's Healthy Food Financing Initiative to increase the availability of affordable, healthy food options in underserved communities, through the Department of the Treasury's Community Development Financial Institutions Fund, and \$13 million in a newly authorized Healthy Food Financing Initiative through USDA, which results in a Government-wide 50 percent funding increase above the 2014 enacted level.

Supporting Affordable Rental Housing for 4.5 Million Families. The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also

supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for Homeless Assistance Grants, \$0.3 billion above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless nationwide. In addition, under the Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 homeless veterans. Supported by the collection of robust data and using best practices from across the country, this evidence-based investment will continue to make progress towards two of the President's homelessness goals – ending Veterans homelessness by 2015 and ending chronic homelessness by 2016. Between 2010 and 2013, homelessness among Veterans declined by 24 percent (reducing the total number of homeless veterans by almost 18,000), and the total number of individuals experiencing chronic homelessness on a single night declined nearly 16 percent.

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Building Ladders of Opportunity for Boys and Young Men. The President recently launched *My Brother's Keeper* – a new initiative to help every boy and young man of color who is willing to do the hard work to get ahead. An interagency task force will evaluate what public and private efforts are already working, how to expand upon what works, and how the Federal Government's own policies and programs can better support these efforts. The *My Brother's Keeper* initiative will also leverage participation from philanthropies, the business community, and elected officials to support this cross-sector effort.

INVESTING IN PUBLIC SAFETY AND CRIMINAL JUSTICE REFORM

Supporting President's "Now is the Time" Initiative. The Budget supports the "Now is the Time" initiative, the President's plan to protect our children and communities by reducing gun violence through additional background checks, inspections of Federally-licensed firearms dealers, improved tracing and ballistics analysis, and efforts to keep guns out of the hands of dangerous criminals. The Budget provides training for State and local law enforcement to prevent and respond to active shooters and prevent mass casualties, and continues the Comprehensive School Safety Program and other initiatives to enhance school security. The Budget also invests in programs to identify mental health issues early and refer those in need to help.

Reforming Our Criminal Justice System with the “Smart on Crime” Initiative. Last summer, the Attorney General introduced the "Smart on Crime" initiative, which is designed to promote fundamental reforms to the criminal justice system that will improve public safety, save money, and ensure the fair enforcement of Federal laws. The Budget supports the initiative’s strategy of containing incarceration costs over the long term by reducing recidivism rates and encouraging Federal prosecutors to seek sentences in certain low-level drug cases that maintain the highest degree of public safety and consider the long-term incarceration costs to the taxpayer.

Making Targeted Investments in State and Local Justice Assistance Grants and Supporting Youth. The Budget, through the Opportunity, Growth, and Security Initiative, includes a new youth investment initiative that will incentivize State efforts to increase the availability of alternatives to incarceration, reenroll youth back into school after confinement, and reduce ethnic and racial disparities in the juvenile justice system. The Opportunity, Growth and Security Initiative also would provide resources for bringing newly completed or acquired Federal prisons online. In addition, the Budget provides \$80 million for Department of Labor programs that provide employment-centered services to adult and youth ex-offenders and at-risk youth. These programs reduce recidivism by providing counseling, job training, drug treatment, and other transitional assistance to former prisoners as they reintegrate into the job market and community life.

ENSURING ACCESS TO QUALITY, AFFORDABLE HEALTH

Implementing the Affordable Care Act. Efficiently and effectively implementing the Affordable Care Act (ACA) is one of the Administration’s highest priorities. The Budget fully funds the ongoing implementation of the ACA, which is already providing coverage for millions of Americans that previously did not have access to affordable health care. The Budget continues to support implementation of the ACA’s health insurance coverage improvements through the operation of Health Insurance Marketplaces and the delivery of premium tax credits and cost sharing assistance to help make coverage affordable, drive down long-term health care costs, and improve care for millions of citizens.

Increasing Access to Health Care Providers in High-Need Communities. The Budget supports the training of new primary care practitioners, and other physicians in high-need specialties. The Budget proposes \$5.23 billion over ten years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services. The Budget also invests \$3.95 billion over the next six years to scale up the National Health Services Corps to place 15,000 health care providers in the areas of the country that need them most, a net increase of 6,000 health care providers compared to the current field strength of the program.

Maintaining Affordable, High-Quality Primary and Preventive Care. Across the country, 1,200 health centers serve as a high quality dependable source of primary care services. The Budget invests \$4.6 billion in the Health Centers program in 2015 and \$8.1 billion in new resources over the following three years help to provide primary care services for an estimated 31 million patients.

SUPPORTING MINORITY BUSINESSES

Supporting Minority Businesses. The Budget includes \$28 million for the Minority Business Development Agency (MBDA) to provide counseling, training, and technical assistance to minority business owners. These services will help these business owners create jobs, improve local economies, and expand into global markets.

Spurring Economic Growth and Job Creation by Providing Access to Capital. To encourage economic growth and job creation, the Budget supports \$17.5 billion in loan guarantees, which support more than 45,000 loans to help small businesses operate and grow; \$7.5 billion in guaranteed lending under the 504 Certified Development Company (CDC) program to finance more than 10,000 loans to small businesses for commercial real estate development and heavy machinery purchases; and \$25 million in direct microloans to assist more than 500 small businesses in getting started and expanding.

Additionally, the Budget supports \$4 billion guarantees for the Small Business Investment Company (SBIC) program at no cost to the taxpayer, to enable SBICs to continue to invest in high-growth and impact-oriented small businesses that create jobs and strengthen communities, as well as to support early financing of innovative startups via the Impact Investment Fund and the Early Stage Innovation Fund. Within these funds as well as in the Opportunity, Growth, and Security Initiative, the Budget also includes an emphasis on supporting lending to young and innovative U.S. manufacturing firms to enable their scale-up to a full commercial production facility.

The Budget also provides \$1.5 billion for a second round of Treasury's successful State Small Business Credit Initiative (SSBCI) in order to support State-sponsored public-private partnerships to increase lending, investment, and technical assistance to small businesses and manufacturers. SSBCI is already achieving results: the first \$271 million in program expenditures supported lending and investments of \$1.9 billion to more than 4,600 small businesses across the country—creating or saving more than 53,000 American jobs.

Combatting Financial Fraud and Promoting Innovation. Ensuring honest and fair competition and protecting the rights and property of citizens are paramount to our economy and American competitiveness. The Budget maintains support to investigate and prosecute financial and mortgage fraud, and counter intellectual property crimes.

PROVIDING SECURITY FOR AMERICAN WORKERS AND RETIREES

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed EITC expansion will benefit 13.5 million workers, including 2.0 million African-American workers. These changes will be paid for by closing high-income tax loopholes.

Expanding the Child and Dependent Care Tax Credit for Children Under Age 5. In recognition of the higher costs of quality day care for infants and small children, the Budget proposes to expand the Child and Dependent Care Tax Credit. In addition to the current credit, taxpayers with up to two children under age 5 would be eligible for an additional credit on total expenses up to \$4,000 per child.

Raising the Minimum Wage to \$10.10. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wages so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The Administration is ready to work with the Congress to pass legislation to increase the minimum wage as soon as possible. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under certain new and replacement Federal service, construction, and concession contracts.

Ensuring Workers Receive the Pay and Overtime They Earned. The Budget increases support for the Department of Labor (DOL)'s Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

Protecting Civil Rights. The Budget supports activities at the Department of Justice to ensure the protection of civil rights, including enforcing Federal prohibitions against racial and ethnic discrimination. In addition, the Budget provides resources to prevent and remedy discrimination in the workplace by maintain strong support for the Equal Opportunity Commission and the Department of Labor's Office of Federal Contract Compliance Programs.

Encouraging State Paid Leave Initiatives. Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

Improving Retirement Security. Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return. Many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget supports the President's proposal to create a new simple, safe, and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save for retirement. The Budget continues to propose automatic enrollment in IRAs (or "auto-IRAs") for employees without access to a workplace savings plan.

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Opportunity for All: Supporting Asian American and Pacific Islander Families

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 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and create opportunity for Asian American and Pacific Islander families, including:

EQUIPPING EVERY AMERICAN WITH A HIGH-QUALITY EDUCATION

Enhancing Access to High-Quality Early Childhood Education. To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child's health, development, and ability to learn.
- Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served by the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Continuing to Improve K-12 Education. The Budget builds on efforts to improve K-12 education with new initiatives.

- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing academic performance of high-need students and closing the achievement gap.
- Creates a new, competitive program to redesign high schools to focus on providing students with challenging, relevant learning experiences, and reward high schools that develop new partnerships with colleges, employers, and other partners to enhance instruction and help develop the knowledge and skills students need for success in today's economy, with additional funding in the Opportunity, Growth, and Security Initiative.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity, in part through further investments in the Opportunity, Growth, and Security Initiative, as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.
- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.

Making a High-Quality College Education More Affordable. The Budget helps make college more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system supporting State-driven reforms to improve the performance of higher education institutions, and expanding income-driven repayment options to help student borrowers better manage their loan debt.

Supports Minority Serving Institutions and College Access for Minority Youth. The Budget provides \$75 million for College Success Grants to support sustainable strategies to reduce costs and improve student outcomes at Minority Serving Institutions, including Asian American and Native American Pacific Islander-Serving Institutions.

PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES

Investing in Training and Employment Services. The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Budget also invests in driving innovation and performance at the State and local level through the Workforce Innovation Fund and through revamped WIA incentive grants, to reward States that succeed in serving workers with the greatest barriers to employment. The Opportunity, Growth, and Security Initiative would add another \$750 million to restore prior cuts to formula grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

Creating New Pathways to Jobs and Careers. The Budget includes \$1.5 billion in the Opportunity, Growth, and Security Initiative to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year's funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Help the Long-Term Unemployed Transition Back to Work. As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget invests \$158 million in reemployment and eligibility assessments and reemployment services to speed the return to work of Unemployment Insurance (UI) beneficiaries; provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a short-term work

placement, and support other strategies for getting UI claimants back to work more quickly. And, building upon the Department of Labor's Ready to Work grants, the Budget provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately 1 million long-term unemployed workers for new jobs;

Supports Work Opportunities for Low-Income Parents. The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This proved in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

PROVIDE ASSISTANCE TO VULNERABLE POPULATIONS AND INVEST IN THE HARDEST-HIT COMMUNITIES

Preventing Hunger. The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Supporting Healthy Eating. The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development. The Budget also provides \$35 million in grants for the Administration's Healthy Food Financing Initiative to increase the availability of affordable, healthy food options in underserved communities, through the Department of the Treasury's Community Development Financial Institutions Fund, and \$13 million in a newly authorized Healthy Food Financing Initiative through USDA, which results in a Government-wide 50 percent funding increase above the 2014 enacted level.

Supports Affordable Rental Housing for 4.5 million Families.

The Budget includes \$20.0 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans (see below). The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. This amount is \$0.2 billion below the 2014 enacted level, but sufficient to continue assistance to the same number of units currently subsidized. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1

million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Fulfilling Commitments to Insular Communities. The Administration supports the fulfillment of the commitments made through the Compact of Free Association with the Government of the Republic of Palau, as agreed to in September 2010. The Budget proposes mandatory funding, as negotiated in the Compact of Free Association, to fund our financial commitments, promote economic development and stability for Palau, ensure U.S. strategic security in the Pacific, and demonstrate U.S. resolve in honoring our agreements to Insular communities.

ENSURING QUALITY, AFFORDABLE HEALTH CARE BY IMPLEMENTING THE AFFORDABLE CARE ACT

Implementing the Affordable Care Act. Efficiently and effectively implementing the Affordable Care Act (ACA) is one of the Administration's highest priorities. The Budget fully funds the ongoing implementation of the ACA, which is already providing coverage for millions of Americans that previously did not have access to affordable health care. The Budget continues to support implementation of the ACA's health insurance coverage improvements through the operation of Health Insurance Marketplaces and the delivery of premium tax credits and cost sharing assistance to help make coverage affordable, drive down long-term health care costs, and improve care for millions of citizens.

Increasing Access to Health Care Providers in High-Need Communities. The Budget supports the training of new primary care practitioners, and other physicians in high-need specialties. The Budget proposes \$5.23 billion over ten years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services. The Budget also invests \$3.95 billion over the next six years to scale up the National Health Services Corps to place

15,000 health care providers in the areas of the country that need them most, a net increase of more than 6,000 health care providers compared to the current field strength of the program.

SUPPORTING MINORITY BUSINESSES

Supporting Minority Businesses. The Budget includes \$28 million for the Minority Business Development Agency (MBDA) to provide counseling, training, and technical assistance to minority business owners. These services will help these business owners create jobs, improve local economies, and expand into global markets.

Spurring Economic Growth and Job Creation by Providing Access to Capital. To encourage economic growth and job creation, the Budget supports \$17.5 billion in loan guarantees, which support more than 45,000 loans to help small businesses operate and grow; \$7.5 billion in guaranteed lending under the 504 Certified Development Company (CDC) program to finance more than 10,000 loans to small businesses for commercial real estate development and heavy machinery purchases; and \$25 million in direct microloans to assist more than 500 small businesses in getting started and expanding.

Additionally, the Budget supports \$4 billion guarantees for the Small Business Investment Company (SBIC) program at no cost to the taxpayer, to enable SBICs to continue to invest in high-growth and impact-oriented small businesses that create jobs and strengthen communities, as well as to support early financing of innovative startups via the Impact Investment Fund and the Early Stage Innovation Fund. Within these funds as well as in the Opportunity, Growth, and Security Initiative, the Budget also includes an emphasis on supporting lending to young and innovative U.S. manufacturing firms to enable their scale-up to a full commercial production facility.

The Budget also provides \$1.5 billion for a second round of Treasury's successful State Small Business Credit Initiative (SSBCI) in order to support State-sponsored public-private partnerships to increase lending, investment, and technical assistance to small businesses and manufacturers. SSBCI is already achieving results: the first \$271 million in program expenditures supported lending and investments of \$1.9 billion to more than 4,600 small businesses across the country—creating or saving more than 53,000 American jobs.

Combatting Financial Fraud and Promoting Innovation. Ensuring honest and fair competition and protecting the rights and property of citizens are paramount to our economy and American competitiveness. The Budget maintains support to investigate and prosecute financial and mortgage fraud, and counter intellectual property crimes.

PROVIDING SECURITY FOR AMERICAN WORKERS AND RETIREES

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a

way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed EITC expansion will benefit 13.5 million workers. These changes will be paid for by closing high-income tax loopholes.

Expanding the Child and Dependent Care Tax Credit for Children Under Age 5. In recognition of the higher costs of quality day care for infants and small children, the budget proposes to expand the child and dependent care tax credit. In addition to the current credit, taxpayers with up to two children under age 5 would be eligible for an additional credit on total expenses up to \$4,000 per child.

Raising the Minimum Wage to \$10.10. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wages so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The Administration is ready to work with the Congress to pass legislation to increase the minimum wage as soon as possible. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under certain new and replacement Federal service, construction, and concession contracts.

Ensuring Workers Receive the Pay and Overtime They Earned. The Budget increases support for the Department of Labor (DOL)'s Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

Protecting Civil Rights. The Budget supports activities at the Department of Justice to ensure the protection of civil rights, including enforcing Federal prohibitions against racial and ethnic discrimination. In addition, the Budget provides resources to prevent and remedy discrimination in the workplace by maintaining strong support for the Equal Employment Opportunity Commission and the Department of Labor's Office of Federal Contract Compliance Programs.

Encouraging State Paid Leave Initiatives. Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

Improving Retirement Security. Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return, and many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget supports the President's proposal to create a new simple, safe, and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save for

retirement. The Budget continues to propose automatic enrollment in IRAs (or “auto-IRAs”) for employees without access to a workplace savings plan.

Fixing Our Broken Immigration System. The President believes that we must fix our broken immigration system by continuing to strengthen our border security, cracking down on employers who hire undocumented workers, modernizing our legal immigration system, and providing a pathway to earned citizenship for hardworking men and women who pay a penalty and taxes, learn English, pass a background check, and go to the back of the line.

In addition to contributing to a safer and more just society, common sense immigration reform will also boost economic growth, reduce deficits, and strengthen Social Security.

The Congressional Budget Office has estimated that the immigration bill that passed with bipartisan support in the Senate last year would reduce the deficit by about \$160 billion in the first decade and by about \$850 billion over 20 years. Meanwhile, the Social Security Actuaries have found that the Senate bill would reduce the Social Security shortfall by \$300 billion over the first 10 years and would close 8 percent of the 75-year Social Security shortfall.

From family members hoping to reunite with loved ones to high skilled scientists and entrepreneurs to undocumented DREAMers, Asian American and Pacific Islanders are a rapidly growing immigrant population in the United States. Representing 25% of the foreign born population in the United States, they are deeply impacted by our broken immigration system. The Administration supports the bipartisan Senate approach, and calls on the House of Representatives to act on comprehensive immigration reform this year.

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Opportunity for All: Supporting Children and Youth

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and expand opportunities for children and youth, including:

EQUIPPING EVERY CHILD WITH A HIGH-QUALITY EDUCATION

Americans must be prepared with the skills and knowledge necessary to compete in the 21st Century economy. Expanding educational opportunities is critical to equipping all children with these skills and positioning them to succeed as adults. The Budget therefore includes investments and initiatives to improve all levels of education, from early childhood education through college.

Enhancing Access to High-Quality Early Childhood Education. To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child's health, development, and ability to learn.
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- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served by the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Continuing to Improve K-12 Education. The Budget builds on efforts to improve K-12 education with new initiatives.

- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing the academic performance of high-need students and closing the achievement gap.
- Creates a new, competitive program to redesign high schools to focus on providing students with challenging, relevant learning experiences, and reward high schools that develop new partnerships with colleges, employers, and other partners to enhance instruction and help develop the knowledge and skills students need for success in today's economy.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.

- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.

Making a High-Quality College Education More Affordable. The Budget helps make college more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system, supporting State-driven reforms to improve the performance of higher education institutions, investing in innovative approaches to higher education, and expanding income-driven repayment options to help student borrowers better manage their loan debt.

HELPING OUR MOST VULNERABLE YOUTH AND FAMILIES

Supporting National Service. The Budget supports a record 114,000 AmeriCorps members, 34,000 more members than projected in 2014. These members support the efforts of nonprofit organizations to address a wide range of critical community challenges, from disaster response to homelessness to low-performing schools. The Budget encourages people from all ages and backgrounds to serve in AmeriCorps, and provides more positions for disconnected and low-income youth that can serve as pathways to higher education and employment.

Supporting Summer Jobs for Youth. The Budget invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Promoting Responsible Fatherhood and Preventing Teen Pregnancy. The Budget proposes to modernize the Child Support Enforcement Program, which touches the lives of one-quarter of the Nation's children and helps secure contributions toward their financial and emotional well-being from non-custodial parents. The Budget proposes to change current law to encourage non-custodial parents to take greater responsibility for their children while maintaining rigorous enforcement efforts. The Budget also continues funding for evidence-based models that prevent teenage pregnancy to build on the significant progress that has been made in this area.

Renewing Efforts to Promote Juvenile Justice and Fight Youth Violence. The Budget proposes \$299 million for the Justice Department's Juvenile Justice Programs and includes evidence-based investments to prevent youth violence. These investments include \$18 million to fund the Community-Based Violence Prevention Initiative and \$4 million for the National Forum on Youth Violence Prevention to help further leverage and scale Federal efforts that support youth violence prevention. Further, the Budget makes available \$23 million for research and pilot projects focused on developing appropriate responses for youth exposed to violence, as well as resources for the Centers for Disease Control and Prevention's Striving to Reduce Youth Violence Everywhere (STRYVE) Initiative.

Making Targeted Investments in State and Local Justice Assistance Grants and Supporting Youth. The Budget, through the Opportunity, Growth, and Security Initiative, includes a new youth investment initiative that will incentivize State efforts to increase the availability of alternatives to incarceration, reenroll youth back into school after confinement, and reduce ethnic and racial disparities in the juvenile justice system. The Opportunity, Growth, and Security Initiative also would

provide resources for bringing newly completed or acquired Federal prisons online. In addition, the Budget provides \$80 million for Department of Labor programs that provide employment-centered services to adult and youth ex-offenders and at-risk youth. These programs reduce recidivism by providing counseling, job training, drug treatment, and other transitional assistance to former prisoners as they reintegrate into the job market and community life.

Improving Services for Children with Disabilities. The Budget helps ensure individuals with disabilities receive services in the most appropriate setting by extending and improving the Money Follows the Person Rebalancing demonstration. This demonstration helps States provide opportunities for the elderly and individuals with disabilities to transition back the community from institutions and rebalance their long-term care systems. Additionally, the Budget supports the Administration for Community Living's new initiative to develop best practices and an evidence base to better support young people with intellectual and developmental disabilities as they transition from adolescence into young adulthood across all systems—health, education, employment, human services, and community living.

Preventing Hunger. The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Supporting Healthy Eating. The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development. The Budget also provides \$35 million in grants for the Administration's Healthy Food Financing Initiative to increase the availability of affordable, healthy food options in underserved communities, through the Department of the Treasury's Community Development Financial Institutions Fund, and \$13 million in a newly authorized Healthy Food Financing Initiative through USDA, which results in a Government-wide 50 percent funding increase above the 2014 enacted level.

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Supporting Affordable Rental Housing for 4.5 Million Families. The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for the Department of Housing and Urban Development's Homeless Assistance Grants, \$301 million above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless nationwide. Through this investment as well as collaborative partnerships with local governments, non-profit organizations, and among Federal agencies, the Administration will continue to make progress towards the President's ambitious goals to end homelessness across the country, including the goal to prevent and end homelessness for families, youth, and children by 2020.

Promoting Better Outcomes for Disconnected Youth. Inconsistent and overlapping Federal program requirements sometimes prevent States and communities from effectively coordinating services or using funding to support strategies that are most likely to achieve the best outcomes. The 2014 appropriations act authorized up to 10 Performance Partnership Pilots that are designed to improve outcomes for disconnected youth. States, regions, or localities will enter into agreements with Federal agencies that allow them to blend funds they receive under multiple Federal funding streams in the Labor-HHS-Education appropriations bill. In 2015, the Administration proposes establishing up to 10 additional pilots and expanding their scope to include programs in the Department of Justice. Approved performance partnerships designed at the State or community level will blend discretionary funds for youth-serving programs across agencies. Performance indicators, such as education and employment outcomes and interim measures associated with positive outcomes will be used to gauge progress, and evaluations will seek to understand the impact and best practices of these pilots. The Budget also includes up to \$28 million in the Departments of Education and Labor to support the development of pilots, youth-focused Pay for Success projects, enhanced tracking and use of youth outcome data, and other activities to improve outcomes for this population.

Supporting the President's "Now is the Time" Initiative. The Budget supports the "Now is the Time" initiative, the President's plan to protect our children and communities by reducing gun violence through additional background checks, inspections of Federally-licensed firearms dealers, improved tracing and ballistics analysis, and efforts to keep guns out of the hands of dangerous criminals. The Budget provides training for State and local law enforcement to prevent and respond to active shooters and prevent mass casualties and continues the Comprehensive School Safety Program and other initiatives to enhance school security. The Budget also invests in programs to identify mental health issues early and refer those in need to help.

Building Ladders of Opportunity for Boys and Young Men. The President recently launched *My Brother's Keeper* – a new initiative to help every boy and young man of color who is willing to do the hard work to get ahead. An interagency task force will evaluate what public and private efforts are already working, how to expand upon what works, and how the Federal Government's own policies and programs can better support these efforts. The My Brother's Keeper initiative will also leverage participation from philanthropies, the business community, and elected officials to support this cross-sector effort.

ENSURING QUALITY, AFFORDABLE HEALTH CARE FOR OUR CHILDREN

Providing Tools to States to Improve Medicaid and the Children's Health Insurance Program (CHIP). Medicaid is critically important to providing health care coverage to the neediest Americans, and the Administration strongly supports State efforts to expand Medicaid with the increased Federal funding provided in the Affordable Care Act. The Budget strengthens Medicaid and CHIP by providing tools to States, Territories, and the Federal Government to fight fraud, waste, and abuse, and make it easier for eligible children to get and maintain coverage. The Budget also includes other program improvements aimed at improving efficiency and effectiveness as States expand Medicaid. The Administration remains committed to providing affordable, comprehensive coverage for children covered by CHIP and the Budget proposes to extend the CHIP performance bonus fund in anticipation of our work with the Congress to ensure their coverage.

Implementing the ACA and Making Additional Health Reforms. The Affordable Care Act (ACA) has taken historic and significant steps toward putting the nation back on a sustainable fiscal course while laying the foundation for a higher quality health care system. Through premium tax credits and cost sharing assistance to make coverage affordable and increased Federal support to States expanding Medicaid coverage for newly eligible low-income adults, the health care law ensures that every American can access high-quality, affordable coverage, providing health insurance to millions of Americans who would otherwise be uninsured.

With the full implementation of ACA beginning this year, millions of people have enrolled in either private insurance through the Health Insurance Marketplace or for coverage through Medicaid and the Children's Health Insurance Program (CHIP). Additionally, more than 3 million young adults previously gained coverage under the health care law by being able to stay on their parents' plans until their 26th birthday.

While there is much more work to be done, we now live in an era where no family will be denied coverage because of a pre-existing condition like high blood pressure or asthma. No American will have to worry that losing a job means you can't access health coverage. And small businesses may be able to get financial help to pay for new affordable coverage options for their employees.

The challenges in our health care system were decades in the making and will not be solved overnight, but every day more Americans are signing up for insurance and getting the peace of mind of knowing that they can get the care they need without losing everything they have worked and saved for. And Americans across the country started this year with the security of knowing that if they want to change jobs or start their own business, they will have access to affordable health insurance for their family.

Improving and Expanding Access to Mental Health Services. As part of the President's Now is the Time initiative, the Budget includes \$55 million for Project AWARE (Advancing Wellness and Resilience in Education) to help teachers and other adults recognize signs of mental illness in students and refer them to help; \$50 million to train 5,000 new mental health professionals with a focus on serving students and young adults; and \$20 million for healthy transitions initiative to support state-based programs to improve mental health outcomes for young people ages 16-25.

Addressing Over-Prescription of Psychotropic Medication for Foster Children. The Budget also makes targeted improvements to the Medicaid program to increase access to mental health services, particularly for youth. The Budget establishes a new Medicaid demonstration project in partnership with the Administration for Children and Families to encourage States to provide evidence-based psychosocial interventions to children and youth in foster care, to reduce over-prescription of psychotropic medications that are disproportionately prescribed to foster children and improve outcomes for these young people. The Budget works to ensure Medicaid enrollees receive the most appropriate care, by improving access to mental health services in the community for youth in psychiatric residential treatment facilities and providing a pathway for certain individuals in eligible mental health facilities to receive home and community-based care services.

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Opportunity for All: Supporting Latino Families

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
 - Research and innovation – Supports ground-breaking research to fight disease, protect the environment, and develop new technologies, and makes permanent the R&D Tax Credit.
 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and create opportunity for Latino families, including:

EQUIPPING EVERY AMERICAN WITH A HIGH-QUALITY EDUCATION

Enhancing Access to High-Quality Early Childhood Education. To build a foundation for success in the formative early years of life, the Budget increases access to high-quality early childhood education.

- Supports a Preschool for All initiative, in partnership with the States, to provide all low- and moderate-income four-year-olds with access to high-quality preschool, while encouraging States to expand those programs to reach additional children from middle-class families and establish full-day kindergarten policies.
- Extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support the child's health, development, and ability to learn.
- Pays for these initiatives by raising Federal tobacco taxes, which will also help discourage youth smoking and save lives.
- Provides access to high-quality infant and toddler care to a total of more than 100,000 children through Early Head Start-Child Care Partnerships, and supports Head Start grantees who are expanding program duration and investing in teacher quality, through additional funding in the Opportunity, Growth, and Security Initiative.
- Makes a substantial commitment to both maintain the number of children served the Child Care Development Fund and improve the quality of care, with sufficient mandatory funding to support more than 1.4 million children for a full ten years while investing in significant quality improvements.

Continuing to Improve K-12 Education. The Budget builds on efforts to improve K-12 education with new initiatives.

- Launches a new Race to the Top for Equity and Opportunity competition centered on increasing the academic performance of high-need students and closing the achievement gap, to address the recent findings of the Equity and Excellence Commission and troubling statistics such as the fact that in 2013, not a single Latino student took the computer science AP exam in 8 states.
- Creates a new, competitive program to redesign high schools to focus on providing students with challenging, relevant learning experiences, and reward high schools that develop new partnerships with colleges, employers, and other partners to enhance instruction and help develop the knowledge and skills students need for success in today's economy, with additional funding in the Opportunity, Growth, and Security Initiative.
- Provides 100,000 teachers in 500 districts with access to professional development to help them make effective use of new broadband connectivity, in part through further investments in the Opportunity, Growth, and Security Initiative, as the Administration works to achieve the President's goal of connecting 99 percent of American students to the digital age through broadband and wireless in schools and libraries.
- Improves the impact of the Federal investment in science, technology, engineering, and mathematics (STEM) education by creating a fresh framework for delivering STEM education, supporting what works, and reducing fragmentation.

Making a High-Quality College Education More Affordable. The Budget helps make college more affordable by continuing our commitment to Pell Grants, providing bonuses to colleges that improve educational outcomes for Pell Grant recipients, supporting the development and refinement of a new college ratings system supporting State-driven reforms to improve the performance of higher education institutions, and expanding income-driven repayment options to help student borrowers better manage their loan debt.

Supports Minority Serving Institutions and College Access for Minority Youth. The Budget provides \$75 million for College Success Grants to support sustainable strategies to reduce costs and improve student outcomes at Minority Serving Institutions, including Historically Black Colleges and Universities and Hispanic Serving Institutions. The Budget also sustains funding for GEAR UP and TRIO to help provide support services for students from disadvantaged backgrounds to prepare for, enroll, and complete postsecondary education.

PROMOTING INNOVATIVE, JOB-DRIVEN APPROACHES TO TRAINING AND EMPLOYMENT SERVICES

Investing in Training and Employment Services. The Budget invests more than \$3 billion in formula grants to States and localities to provide training and employment services to more than 20 million Americans at 2,500 American Job Centers across the country. The Budget also invests in driving innovation and performance at the State and local level through the Workforce Innovation Fund and through revamped WIA incentive grants, to reward States that succeed in serving workers with the greatest barriers to employment. The Opportunity, Growth, and Security Initiative would add another \$750 million to restore prior cuts to formula grants; increase the investment in innovation, evidence-based practices, and performance in the workforce system; and provide additional funding for programs that serve populations with significant barriers to employment.

Creating New Pathways to Jobs and Careers. The Budget includes \$1.5 billion in the Opportunity, Growth, and Security Initiative to fund the first year of a four-year Community College Job-Driven Training Fund, which will offer competitive grants to partnerships of community colleges, public and non-profit training entities, industry groups, and employers to launch new training programs and apprenticeships that will prepare participants for in-demand jobs and careers. \$500 million of each year's funding will be set aside for grants to States and regional consortia to create new apprenticeships and increase participation in existing apprenticeship programs. This four-year investment would support doubling the number of apprenticeships in America over the next five years. The Budget also invests \$2.5 billion in mandatory funding for Summer Jobs Plus, which will fund summer and year-round job opportunities for 600,000 youth as well as innovation grants aimed at improving skills and career options for disadvantaged youth.

Helping the Long-Term Unemployed Transition Back to Work. As we work to strengthen and rebuild our economy from the worst economic downturn since the Great Depression, it is critical to provide a helping hand and a path back to work for those whose lives have been disrupted by unemployment. The Budget invests \$158 million in reemployment and eligibility assessments and reemployment services to speed the return to work of Unemployment Insurance (UI) beneficiaries; provides \$2 billion in mandatory funding to encourage States to adopt Bridge to Work programs, which would allow individuals to continue receiving their weekly UI check while participating in a

short-term work placement, and support other strategies for getting UI claimants back to work more quickly. And, building upon the Department of Labor's Ready to Work grants, the Budget provides \$4 billion in mandatory funding to support partnerships between businesses and education and training providers to train approximately one million long-term unemployed workers for new jobs.

Supporting Work Opportunities for Low-Income Parents. The Budget proposes to redirect \$602 million in annual Temporary Assistance for Needy Families (TANF) funding to a Pathways to Jobs initiative, which will support State partnerships with employers to provide subsidized job opportunities for low-income individuals. This approach has proven in recent years to be an effective strategy for getting disadvantaged adults back into the workforce, and the Budget proposes to build on that success.

PROVIDING ASSISTANCE TO VULNERABLE POPULATIONS AND INVESTING IN THE HARDEST-HIT COMMUNITIES

Preventing Hunger. The Administration strongly supports the Supplemental Nutrition Assistance Program (SNAP) and other programs that reduce hunger and help families meet their nutritional needs. SNAP is the cornerstone of our Nation's nutrition assistance safety net, touching the lives of 47 million Americans, the majority of whom are children, the elderly, or people with disabilities. In addition to supporting SNAP, the Budget also invests \$30 million to support summer electronic benefit pilots, which are proving successful in reducing childhood hunger and improving nutrition in the months when school meals are unavailable.

Supporting Healthy Eating. The Budget supports the ongoing implementation of the Healthy, Hunger-Free Kids Act of 2010 with an increased investment of \$35 million in school equipment grants to aid in the provision of healthy meals and continued support for other school-based resources. The Budget provides \$6.8 billion to support the 8.7 million individuals expected to participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which is critical to the health of pregnant women, new mothers, infants, and young children. The Budget also supports changes to the food package that will improve consumption of nutritious foods that are important to healthy child development. The Budget also provides \$35 million in grants for the Administration's Healthy Food Financing Initiative to increase the availability of affordable, healthy food options in underserved communities, through the Department of the Treasury's Community Development Financial Institutions Fund, and \$13 million in a newly authorized Healthy Food Financing Initiative through USDA, which results in a Government-wide 50 percent funding increase above the 2014 enacted level.

Supporting Affordable Rental Housing for 4.5 Million Families. The Budget includes \$20 billion for the Housing Choice Voucher program (\$0.9 billion more than the 2014 enacted level) to help more than 2.2 million low-income families afford decent housing in neighborhoods of their choice. This funding level not only supports all existing vouchers, but restores reductions in assisted housing units that resulted from the 2013 sequestration funding cut and provides an additional 40,000 new vouchers including 10,000 for homeless veterans. The Budget also includes \$9.7 billion for the Project-Based Rental Assistance program to maintain affordable rental housing for 1.2 million families. Further, the Budget provides \$6.5 billion in operating and capital subsidies to preserve affordable public housing for 1.1 million families, an increase of \$0.3 billion over the 2014 enacted level. An additional \$10 million for the Rental Assistance Demonstration (RAD) will be targeted to public housing properties in

high-poverty neighborhoods, including designated Promise Zones, where the Administration is also supporting comprehensive revitalization efforts. RAD leverages private financing to reduce backlogs of capital repairs and the Budget proposes to eliminate the cap on the number of units eligible for this demonstration.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for Homeless Assistance Grants, \$0.3 billion above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless nationwide. In addition, under the Housing Choice Voucher program, the Budget proposes \$75 million to expand assistance under the VA Supportive Housing (HUD-VASH) program to 10,000 homeless veterans. Supported by the collection of robust data and using best practices from across the country, this evidence-based investment will continue to make progress towards two of the President's homelessness goals – ending Veterans homelessness by 2015 and ending chronic homelessness by 2016. Between 2010 and 2013, homelessness among Veterans declined by 24 percent (reducing the total number of homeless veterans by almost 18,000), and the total number of individuals experiencing chronic homelessness on a single night declined by 15.7 percent.

Partnering With Communities to Expand Opportunity. The Budget supports the Administration's Promise Zones initiative, which is creating partnerships between the Federal Government, local communities, and businesses to create jobs, increase economic security, expand educational opportunities, increase access to quality, affordable housing, and improve public safety. The President named the first five Promise Zones earlier this year and will create up to an additional 15 Promise Zones in the year ahead. In support of Promise Zones, the Budget requests \$120 million for the Department of Housing and Urban Development's Choice Neighborhoods program and \$100 million for the Department of Education's Promise Neighborhoods program. The Budget also includes Promise Zone tax incentives to stimulate growth and investments in targeted communities, such as tax credits for hiring workers and incentives for capital investment within the Zones.

Building Ladders of Opportunity for Boys and Young Men. The President recently launched *My Brother's Keeper* – a new initiative to help every boy and young man of color who is willing to do the hard work to get ahead. An interagency task force will evaluate what public and private efforts are already working, how to expand upon what works, and how the Federal Government's own policies and programs can better support these efforts. The My Brother's Keeper initiative will also leverage participation from philanthropies, the business community, and elected officials to support this cross-sector effort.

INVESTING IN PUBLIC SAFETY AND CRIMINAL JUSTICE REFORM

Supporting President's "Now is the Time" Initiative. The Budget supports the "Now is the Time" initiative, the President's plan to protect our children and communities by reducing gun violence through additional background checks, inspections of Federally-licensed firearms dealers, improved tracing and ballistics analysis, and efforts to keep guns out of the hands of dangerous criminals. The Budget provides training for State and local law enforcement to prevent and respond to active shooters and prevent mass casualties, and continues the Comprehensive School Safety Program and other initiatives to enhance school security.

Reforming Our Criminal Justice System with the “Smart on Crime” Initiative. Last summer, the Attorney General introduced the "Smart on Crime" initiative, which is designed to promote fundamental reforms to the criminal justice system that will improve public safety, save money, and ensure the fair enforcement of Federal laws. The Budget supports the initiative’s strategy of containing incarceration costs over the long term by reducing recidivism rates and encouraging Federal prosecutors to seek sentences in certain low-level drug cases that maintain the highest degree of public safety and consider the long-term incarceration costs to the taxpayer.

Making Targeted Investments in State and Local Justice Assistance Grants and Supporting Youth The Budget, through the Opportunity, Growth, and Security Initiative, includes a new youth investment initiative that will incentivize State efforts to increase the availability of alternatives to incarceration, reenroll youth back into school after confinement, and reduce ethnic and racial disparities in the juvenile justice system The Opportunity, Growth and Security Initiative also would provide resources for bringing newly completed or acquired Federal prisons online. In addition, the Budget provides \$80 million for Department of Labor programs that provide employment-centered services to adult and youth ex-offenders and at-risk youth. These programs reduce recidivism by providing counseling, job training, drug treatment, and other transitional assistance to former prisoners as they reintegrate into the job market and community life.

ENSURING ACCESS TO QUALITY, AFFORDABLE HEALTH

Implementing the Affordable Care Act. Efficiently and effectively implementing the Affordable Care Act (ACA) is one of the Administration’s highest priorities. The Budget fully funds the ongoing implementation of the ACA, which is already providing coverage for millions of Americans that previously did not have access to affordable health care. The Budget continues to support implementation of the ACA’s health insurance coverage improvements through the operation of Health Insurance Marketplaces and the delivery of premium tax credits and cost sharing assistance to help make coverage affordable, drive down long-term health care costs, and improve care for millions of citizens.

Increasing Access to Health Care Providers in High-Need Communities. The Budget supports the training of new primary care practitioners, and other physicians in high-need specialties. The Budget proposes \$5.23 billion over ten years to support training 13,000 new residents through a new competitive graduate medical education program that incentivizes high-quality physician training. In 2015, this new program includes \$100 million in mandatory funding to support pediatric training in children's hospitals. The Budget also encourages provider participation in Medicaid, by extending increased payments for primary care services through 2015, with modifications to expand provider eligibility to additional primary care providers and better target primary care services. The Budget also invests \$3.95 billion over the next six years to scale up in the National Health Services Corps to place 15,000 health care providers annually in the areas of the country that need them most, a net increase of more than 6,000 health care providers compared to the current field strength of the program.

Maintaining Affordable, High-Quality Primary and Preventive Care. Across the country, 1,200 health centers serve as a high quality dependable source of primary care services. The Budget invests \$4.6 billion in the Health Centers program in 2015 and \$8.1 billion in new resources over the following three years help to provide primary services for an estimated 31 million patients.

SUPPORTING MINORITY BUSINESSES

Supporting Minority Businesses. The Budget includes \$28 million for the Minority Business Development Agency (MBDA) to provide counseling, training, and technical assistance to minority business owners. These services will help these business owners create jobs, improve local economies, and expand into global markets.

Spurring Economic Growth and Job Creation by Providing Access to Capital. To encourage economic growth and job creation, the Budget supports \$17.5 billion in loan guarantees, which support more than 45,000 loans to help small businesses operate and grow; \$7.5 billion in guaranteed lending under the 504 Certified Development Company (CDC) program to finance more than 10,000 loans to small businesses for commercial real estate development and heavy machinery purchases; and \$25 million in direct microloans to assist more than 500 small businesses in getting started and expanding.

Additionally, the Budget supports \$4 billion guarantees for the Small Business Investment Company (SBIC) program at no cost to the taxpayer, to enable SBICs to continue to invest in high-growth and impact-oriented small businesses that create jobs and strengthen communities, as well as to support early financing of innovative startups via the Impact Investment Fund and the Early Stage Innovation Fund. Within these funds as well as in the Opportunity, Growth, and Security Initiative, the Budget also includes an emphasis on supporting lending to young and innovative U.S. manufacturing firms to enable their scale-up to a full commercial production facility.

The Budget also provides \$1.5 billion for a second round of Treasury's successful State Small Business Credit Initiative (SSBCI) in order to support State-sponsored public-private partnerships to increase lending, investment, and technical assistance to small businesses and manufacturers. SSBCI is already achieving results: the first \$271 million in program expenditures supported lending and investments of \$1.9 billion to more than 4,600 small businesses across the country—creating or saving more than 53,000 American jobs.

Combatting Financial Fraud and Promoting Innovation. Ensuring honest and fair competition and protecting the rights and property of citizens are paramount to our economy and American competitiveness. The Budget maintains support to investigate and prosecute financial and mortgage fraud, and counter intellectual property crimes.

PROVIDING SECURITY FOR AMERICAN WORKERS AND RETIREES

Expanding the EITC for Childless Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers under age 25, which means that it cannot shape work decisions during the crucial years at the beginning of a young person's career. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and lowers the age limit from 25 to 21, as a way to support and reward work. The proposal also updates the childless worker EITC upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed EITC expansion will benefit 13.5 million workers, including 3.3 million Latino workers. These changes will be paid for by closing high-income tax loopholes.

Expanding the Child and Dependent Care Tax Credit for Children Under Age 5. In recognition of the higher costs of quality day care for infants and small children, the Budget proposes to expand the Child and Dependent Care Tax Credit. In addition to the current credit, taxpayers with up to two children under age 5 would be eligible for an additional credit on total expenses up to \$4,000 per child.

Raising the Minimum Wage to \$10.10. Over the past 30 years, modest minimum wage increases have not kept pace with the higher costs of basic necessities for working families. No one who works full time should have to raise his or her family in poverty. The Administration supports raising the minimum wages so that hard-working Americans can earn wages that allow them to support their families and make ends meet. The Administration is ready to work with the Congress to pass legislation to increase the minimum wage as soon as possible. The President has already led by example by signing an Executive Order to raise the minimum wage to \$10.10 for individuals working under certain new and replacement Federal service, construction, and concession contracts.

Ensuring Workers Receive the Pay and Overtime They Earned. The Budget increases support for the Department of Labor (DOL)'s Wage and Hour Division to increase enforcement of the laws that ensure that workers receive appropriate wages and overtime pay, as well as the right to take job-protected leave for family and medical purposes. The Wage and Hour Division will be able to hire 300 new investigators across the country to help in this effort, and will use risk-based approaches to target the industries and employers most likely to break the law.

Protecting Civil Rights. The Budget supports activities at the Department of Justice to ensure the protection of civil rights, including enforcing Federal prohibitions against racial and ethnic discrimination. In addition, the Budget provides resources to prevent and remedy discrimination in the workplace by maintaining strong support for the Equal Employment Opportunity Commission and the Department of Labor's Office of Federal Contract Compliance Programs.

Encouraging State Paid Leave Initiatives. Too many American workers must make the painful choice between the care of their families and a paycheck they desperately need. While the Family and Medical Leave Act allows many workers to take job-protected unpaid time off, millions of families cannot afford to use unpaid leave. A handful of States have enacted policies to offer paid leave, but more States should have the chance to follow their example. The Budget supports a \$5 million State Paid Leave Fund to provide technical assistance and support to States that are considering paid leave programs. The Opportunity, Growth, and Security Initiative provides an additional \$100 million in support of this effort.

Improving Retirement Security. Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return. Many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget supports the President's proposal to create a new simple, safe, and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save for retirement. The Budget continues to propose automatic enrollment in IRAs (or "auto-IRAs") for employees without access to a workplace savings plan.

FIXING OUR BROKEN IMMIGRATION SYSTEM

The President believes that we must fix our broken immigration system by continuing to strengthen our border security, cracking down on employers who hire undocumented workers, modernizing our legal immigration system, and providing a pathway to earned citizenship for hardworking men and women who pay a penalty and taxes, learn English, pass a background check, and go to the back of the line.

In addition to contributing to a safer and more just society, common sense immigration reform will also boost economic growth, reduce deficits, and strengthen Social Security.

The Congressional Budget Office has estimated that the immigration bill that passed with bipartisan support in the Senate last year would reduce the deficit by about \$160 billion in the first decade and by about \$850 billion over 20 years. Meanwhile, the Social Security Actuaries have found that the Senate bill would reduce the Social Security shortfall by \$300 billion over the first 10 years and would close 8 percent of the 75-year Social Security shortfall. By adding younger workers to the labor force, reforming our broken legal immigration system will help balance an aging population and improve the economic and budget outlook as the baby boom generation retires.

From family members hoping to reunite with loved ones, to farmworkers fueling our agricultural industry, to young DREAMers who call the United States home, Latino immigrants are an integral part of American society. As the largest immigrant group in the United States, Latino immigrants from Mexico, Central and South America and the Caribbean are deeply impacted by our broken immigration system. The Administration supports the bipartisan Senate approach, and calls on the House of Representatives to act on comprehensive immigration reform this year.

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Opportunity for All: Supporting Seniors

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WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
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 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

The Budget takes a number of steps to support and create opportunity for seniors, including:

Improving Medicare's Sustainability by Encouraging High-Quality, Efficient Care. The Medicare proposals in the Budget would extend the solvency of the Hospital Insurance trust fund by approximately five years. The Budget proposes a robust set of initiatives to strengthen Medicare by implementing payment innovations that encourage high-quality and efficient care, and program integrity. Last year's proposal for income-related premiums has been simplified while still improving the fiscal stability of the program by reducing the Federal subsidy of Medicare costs for those who can most afford them. The Budget also includes new proposals that would build a stronger foundation for Medicare's future by expanding value-based purchasing, strengthening quality incentives and reducing the risk of prescription drug abuse in Part D.

Lower Drug Costs for Medicare Beneficiaries. The Budget proposes to close the donut hole in the Part D benefit by 2016, rather than 2020, by increasing the discounts offered by the pharmaceutical industry. This proposal builds on the Affordable Care Act's phased closure of the donut hole that has saved 7.3 million seniors \$8.9 billion since enactment of the law.

Supporting Permanent, Fiscally Responsible Reform to Medicare's Payments to Physicians. The Administration applauds the bipartisan efforts in the Congress to reform the Medicare physician payment system and is committed to working with the Congress to continue progress towards providing predictable payments that incentivize quality and efficiency in a fiscally responsible way. As part of these efforts, the Administration supports maintaining payment stability while scalable alternative payment models continue to develop, with incentives for providers to join these models and streamlined, value-based payments for those who do not join. The engagement of care providers will be an important component in designing new payment models that encourage integrated, coordinated networks of care that reward quality and efficiency. To complement these changes, the Administration also supports reforms to improve the accuracy of Medicare's current physician payment system.

Detecting and Preventing Elder Abuse. To support evidence-based interventions to reduce elder abuse, neglect and financial exploitation, the Budget includes \$25 million in new, discretionary resources for Elder Justice Act activities authorized under the ACA. These resources will support standards and infrastructure to improve detection and reporting of elder abuse; grants to States to pilot a new reporting system; and funding to support a coordinated Federal research portfolio to better understand and prevent the abuse and exploitation of older Americans.

Helping Seniors Maintain Their Health and Independence. To ensure elderly individuals and individuals with disabilities receive services in the most appropriate setting, the Budget extends and improves the Money Follows the Person Rebalancing demonstration. This demonstration helps States provide opportunities for the elderly and individuals with disabilities to transition back to the community from institutions and rebalance their long-term care systems.

Protecting Social Security for Future Generations. The President believes that Social Security is indispensable to workers, retirees, survivors, and people with disabilities and that it is one of the most important and successful programs ever established in the United States. Although current forecasts indicate that Social Security can pay full benefits until 2033, the President is committed to making sure that the program is solvent and viable for the American people, now and in the future. He is strongly opposed to privatizing Social Security and looks forward to working in a bipartisan way to preserve it for future generations.

Improving Customer Service at the Social Security Administration. As part of the Administration's management agenda focus on improving key citizen- and business-facing transactions, the Budget includes \$100 million for a new customer service modernization initiative to significantly improve Internet and in-person services at the Social Security Administration. The Opportunity, Growth, and Security Initiative includes \$150 million in additional funding to further reduce wait times and enhance services for the public.

Improving Retirement Security. Workers must have a place to invest their hard-earned savings that provides an appropriate balance of risk and return. Many private sector providers do not offer retirement savings options tailored to smaller balance savers. Our retirement system should help these potential savers and encourage them to begin building their retirement security. The Budget supports the President's proposal to create a new simple, safe and affordable "starter" retirement savings account (myRA) that will be available through employers and help millions of Americans save for retirement. The Budget also continues to propose automatic enrollment in IRAs (or "auto-IRAs") for employees without access to a workplace savings plan.

Protecting Worker Pensions. The Pension Benefit Guaranty Corporation (PBGC) acts as a backstop to protect pension payments for workers whose companies have failed. Currently, PBGC's pension insurance programs are underfunded, and its liabilities far exceed its assets. PBGC receives no taxpayer funds and its premiums are currently much lower than what a private financial institution would charge for insuring the same risk. The Budget proposes to give the PBGC Board the authority to adjust premiums and directs PBGC to take into account the risks that different sponsors pose to their retirees and to PBGC. This reform will both encourage companies to fully fund their pension benefits and ensure that the PBGC remains financially sound. This proposal is estimated to save \$20 billion over the next decade.

Expanding the EITC for Older Workers. Few things help families with children pull themselves up through hard work like the Earned Income Tax Credit (EITC). However, the maximum EITC available to childless workers, including non-custodial parents, is only \$500, and the credit is unavailable to workers age 65 and older, an artifact of the period when the Social Security full retirement age was 65. The Budget doubles the maximum credit to \$1,000, makes the credit available to workers at slightly higher income levels (e.g. a full-time minimum wage worker at the current minimum wage), and updates the upper age limit for increases in the Social Security Normal Retirement Age (raising it from 64 to 66). The proposed EITC expansion will benefit 300,000 working seniors. These changes will be paid for by closing high-income tax loopholes.

Engaging Older Americans in High-Impact Service. The Budget simplifies and maximizes the impact of national service programs by transitioning the Senior Companion and Foster Grandparent models to AmeriCorps and expanding the Volunteer Generation Fund to support the highest-performing RSVP grantees. These reforms will support a over 40 percent expansion in the number of AmeriCorps members and align and integrate the Corporation for National and Community Service's (CNCS) service and volunteering programs. The Administration continues to believe strongly in the value of engaging older Americans in addressing the needs of their communities, and will preserve this commitment in its implementation of this reform. The Budget provides funding for CNCS to assist grantees as they make this transition. Under this Budget, the AmeriCorps program will surpass the goal of reserving at least 10 percent of member positions for seniors, as laid out in the 2009 Edward M. Kennedy Serve America Act.

Providing Housing for the Elderly. Providing supportive housing for very low-income elderly households, including frail elderly, allows senior citizens to age in a stable environment and helps them access human services. The Budget uses new authorities enacted this year to propose new housing integrated with supportive services, including enhanced partnerships with State agencies, under the Housing and Urban Development (HUD) Housing for the Elderly program (Section 202). The Budget includes \$440 million for this program to continue current assistance as well as expand housing by more than 3,000 units.

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Opportunity for All: Supporting Servicemembers, Veterans, and Military Families

A Roadmap for Growth, Opportunity, and Fiscal Responsibility: The President's Budget provides a roadmap for accelerating economic growth, expanding opportunity for all Americans, and ensuring fiscal responsibility. It invests in infrastructure, job training, preschool, and pro-work tax cuts, while reducing deficits through health, tax, and immigration reform.

Builds on Bipartisan Progress: The Budget adheres to the 2015 spending levels agreed to in the Bipartisan Budget Act and shows the choices the President would make at those levels. But it also shows how to build on this progress to realize the nation's full potential with a fully paid for \$56 billion Opportunity, Growth, and Security Initiative, split evenly between defense and non-defense priorities.

WHAT THE PRESIDENT'S BUDGET DELIVERS:

- **Stronger Growth and Job Creation:**
 - Advanced manufacturing – Invests in American innovation and strengthens our manufacturing base, including a national network of 45 manufacturing institutes.
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 - Pro-growth infrastructure – Lays out an ambitious, four-year \$302 billion surface transportation reauthorization proposal paid for with transition revenue from pro-growth business tax reform.
 - Government reform – Promotes government management that delivers improved services that are more effective, efficient, and supportive of economic growth.
- **Opportunity for All:**
 - Tax cuts for working Americans – Doubles the maximum value of the childless worker EITC to build on the EITC's success in encouraging people to enter the workforce and reducing poverty; improves tax benefits that help middle-class and working families pay for child care and college and save for retirement.
 - Preschool for all – Invests in the President's vision of making access to high-quality preschool available to every four-year-old child.
 - Job-driven training – Invests in new efforts to drive greater performance and innovation in workforce training to equip workers with skills that match the needs of employers.
- **Fiscal Responsibility:**
 - Continues historic progress in slowing health care cost growth – Builds on the savings and reforms in the Affordable Care Act with additional measures to strengthen Medicare and Medicaid, slow health care cost growth, and improve the quality of care.
 - Pro-growth tax reform – Curbs inefficient and unfair tax breaks that benefit the wealthiest, and ensures that everyone is paying their fair share.
 - Immigration reform – Supports comprehensive reform of our broken immigration system, which independent economists say will grow our economy and shrink our deficits.
 - Further reduces the deficit and debt – By paying for new investments and tackling our true fiscal challenges, reduces deficits to 1.6 percent of GDP by 2024, and stabilizes debt as a share of the economy by 2015 and puts it on a declining path after that.

Our Nation has a solemn obligation to take care of our servicemembers, veterans and their families. To deliver on this commitment, the Budget provides significant resources to support veterans' medical care, help military families, assist servicemembers transitioning to civilian life, eliminate veterans' homelessness, and improve the disability claims processing system and eliminate the backlog.

Caring for Wounded, Ill, and Injured Servicemembers. To continue providing quality health care for the Nation's 9.6 million eligible military beneficiaries, the Budget provides \$47.4 billion for the Department of Defense (DOD) Unified Medical Budget to support the DOD Military Health System. The Budget sustains strong programs that support wounded, ill, and injured servicemembers and their families, and help servicemembers transition into civilian life and the workforce. In particular, DOD is improving its support for servicemember mental and emotional health by increasing collaboration among its suicide prevention programs and working to eliminate the stigma associated with accessing mental health services.

Supporting Veterans' Educational Goals. VA's readjustment benefit programs provide valuable military recruitment and retention incentives and help smooth the transition to civilian status. These benefits include the Post-9/11 GI Bill, the most extensive educational assistance program since the World War II era GI Bill. The Budget includes nearly \$15 billion for educational and vocational rehabilitation benefits for eligible veterans and dependents.

Supporting Military Families. Supporting military families continues to be a top priority for the Administration. The Budget provides robust funding to ensure consistent and effective family services are available, including mental health and counseling services; deployment and relocation assistance; child care and youth programs; military spouse employment programs; and others. The Budget also invests in expanding strategies for program delivery to address the fact that most servicemembers and their families no longer live on DOD installations. For example, DOD continues to leverage the Military OneSource platform to provide confidential, no-cost counseling and information on the full range of issues and challenges military families face, anywhere in the world.

Addressing Sexual Assault in the Military. Sexual assault remains a problem in the military, just as in the civilian world. Secretary Hagel has ordered DOD to undertake a comprehensive effort that includes 16 distinct initiatives aimed at eliminating and responding to sexual assault in the military. These initiatives will ensure an appropriate command climate for every member, accountability for perpetrators and commanders, and proper care and services for victims—including dedicated legal representation throughout the reformed military justice process. The President has also directed DOD to complete a full-scale review of its progress in preventing and responding to sexual assault in the military by December 1, 2014. This review will include benchmarks and metrics to assess the effectiveness of DOD efforts, as well as an examination of options for reforming the military justice system to enhance victim reporting, protect victims' rights, and hold offenders appropriately accountable. The Budget provides the funds needed to implement these initiatives and to continue making improvements to DOD's sexual assault prevention and response programs.

Modernizing DOD's Compensation and Benefits System. Since 2001, military pay and benefits have grown 40 percent more than in the private sector. To ensure that our military has the resources to invest in the training, equipment, and support that it needs, based on the recommendations of the uniformed military leadership, the Budget proposes reforms to slow this cost growth. These reforms include changes to TRICARE, lower commissary subsidies phased in over time, and modestly slower growth in the Basic Allowance for Housing, while still providing a robust compensation and benefits

system that honors the service of our men and women in uniform and their families. For calendar year 2015, the Budget provides a 1 percent increase to basic pay, a 1.5 percent increase in the Basic Allowance for Housing, and a 3.4 percent increase in the Basic Allowance for Subsistence.

Helping Servicemembers Transition to Civilian Life and Find Employment. The Administration continues to focus on supporting service men and women as they make the transition from military to civilian life. DOD has partnered with other Federal agencies to ensure that all servicemembers participate in effective pre-separation programs that help them plan and prepare for this major transition, including Transition GPS (Goals, Plans, Success), which reflects the first major redesign of the interagency Transition Assistance Program in over 20 years. The Budget supports initiatives to ensure separating servicemembers have the skills needed to pursue employment after military service, providing pre-separation counseling and employment workshops and mandating compliance with a Career Readiness Standard before transition. Funding is also provided for the Small Business Administration's Boots to Business initiative, a program that provides veterans transitioning to civilian life with the training and tools they need to start their own businesses. The Administration continues to support the Department of Labor's Gold Card Initiative, which provides unemployed post-9/11 veterans with the intensive career and supportive services they need to succeed in today's job market.

To help our newest veterans transition to civilian life and find good jobs, the Budget provides \$33 million to continue the Integrated Disability Evaluation System (IDES) and VetSuccess on Campus initiatives. IDES and VetSuccess counselors ensure that veterans, especially wounded warriors and students, receive timely information about education opportunities, job counseling, and placement. The Budget also invests through the Department of Labor in reemployment and eligibility assessments and reemployment services, an evidence-based approach to speed the return to work of Unemployment Insurance beneficiaries for all recently separated veterans to help them transition to civilian jobs. In addition, the Budget provides targeted resources for Wounded Warriors in order to reduce disability evaluation processing time, ensuring that recovering servicemembers have active recovery plans and that those who transition to veteran status will have timely access to the benefits they deserve.

Supporting and Encouraging Veteran-Owned Small Businesses. The Budget waives fees on loans less than \$150,000 in SBA's loan program to promote lending to small businesses that face the greatest constraints on credit access. For veteran-owned businesses, upfront fees are fully waived on Express loans up to \$350,000 and waived by 50 percent for all non-Express loans above \$350,000 to support the entrepreneurial efforts of veterans, a group often underserved in the credit market.

Putting Veterans to Work Preserving and Restoring America's Land and Resources. The Budget proposes \$1 billion to create the Veterans Job Corps program that would put thousands of veterans back to work over the next five years protecting and rebuilding America. In addition, the Department of Interior's historic Centennial Initiative will engage hundreds of veterans in upgrading and rebuilding our national parks.

Support Veterans Employment Tax Credits. The Administration continues its support of tax credits that will help employ veterans. The Budget again proposes to permanently extend the Returning Heroes Tax Credit, which provides up to \$5,600 to employers to hire unemployed veterans, and the Wounded Warrior Tax Credit, which provides up to \$9,600 to hire long-term unemployed veterans with service-connected disabilities. In addition, this year's Budget will include a new proposal to make the Wounded Warrior Tax Credit available for up to six months after a disabled veteran completes a qualifying GI-bill funded educational program.

Protecting Critical Funding for VA Medical Care. The Budget provides \$56 billion for VA medical care, a 2.7 percent increase above the 2014 enacted level, to provide high-quality and timely health care services to veterans and other eligible beneficiaries. These services include innovative programs to educate and support veterans' caregivers, enhance veterans' access to care via telehealth technologies, and support equitable, high-quality care for women veterans in an appropriate and safe environment. In addition, the Budget proposes \$58.7 billion in advance appropriations for the VA medical care program in 2016, which will provide timely and predictable funding for VA's medical care to prevent our veterans from being adversely affected by any potential delays in appropriations.

Ending Veterans' Homelessness. The President has set the ambitious goal of ending veteran homelessness across the country, and the Administration has made significant progress already, including reducing the total number of homeless veterans by almost 18,000 since 2009. To continue this progress, the Budget invests \$1.6 billion in VA funding to serve homeless and at-risk veterans, including \$500 million for the Supportive Services for Veteran Families program, which provides homelessness prevention and rapid re-housing services, along with \$321 million for the Department of Housing and Urban Development (HUD)-VA Supportive Housing (HUD-VASH) program for VA case management services. The Budget also includes \$75 million in HUD funding for 10,000 new HUD-VASH vouchers to permanently house homeless veterans. Through these investments and collaborative partnerships with local governments, non-profit organizations, and Federal agencies, the Administration will continue to make progress towards the President's goal to end veterans' homelessness in 2015.

Improving Access to Comprehensive Services and Benefits. The Budget supports VA's efforts to ensure consistent, personalized, and accurate information about services and benefits, especially in the delivery of compensation and pension claims processing. To improve the speed, effectiveness, and efficiency of benefits service delivery, the joint DOD/VA eBenefits web portal provides veterans with critical self-service capabilities to manage their VA, military and personal information, apply online for benefits, and check the status of a claim.

Advancing Medical and Prosthetic Research. The Budget includes \$589 million for medical and prosthetic research to support veterans wounded in service. As part of the largest integrated health care system in the United States, the VA research program benefits from clinical care and research occurring together, allowing research to be directly coordinated with the care of veterans.

Addressing VA Claims Backlog and Continuing Implementation of the Paperless Claims System. Over the last decade, VA has received an increasing number of disability claims from veterans, which has led to a significant claims backlog. To help eliminate the backlog, the Budget includes \$138.7 million to enhance VA's Veterans Claims Intake Program, allowing VA to continue to directly receive and convert paper evidence, such as medical records, into a digital format for increased efficiency in claims processing. The Budget also supports transformation initiatives, including the continued development of a digital, near-paperless environment that allows for greater exchange of accurate information and increased transparency for veterans. Specifically, the Budget includes \$173.3 million for the Veterans Benefit Management System, designed to reduce the processing time and claims backlog, automate claims tracking, and facilitate quality improvements including service-connected disability evaluations. These overall efforts support VA's work to eliminate the claims backlog and achieve VA's goal of processing all claims within 125 days with 98 percent accuracy in 2015.

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Opportunity for All: Supporting the LGBT Community

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The Budget supports and expands opportunity for the LGBT community by:

Expanding Access to Health Coverage. The Affordable Care Act ensures that Americans have secure, stable, and affordable insurance. As of January Insurance companies are no longer able to discriminate against consumers due to pre-existing conditions, and because of the law, insurers can no longer turn someone away just because he or she is lesbian, gay, bisexual, or transgender.

Addressing Health Care Disparities. The Budget supports community effort to focus on prevention, including using evidence-based interventions to address tobacco control, obesity prevention, and better nutrition and physical activity. The Budget also invests in expanding the health care workforce, as well as investing in community health centers to provide primary care services in communities across the country. And continuing efforts to improve data collection on health disparities will help policymakers have the knowledge and tools they need to continue to address the health needs and concerns of the LGBT community.

Civil Rights Enforcement and Hate Crime Prevention. The Budget supports activities at the Department of Justice to ensure the protection of civil rights. The Budget provides additional resources for the Department of Justice Community Relations Service (CRS) to respond to alleged hate crimes on the basis of race, color, or national origin, gender, gender identity, sexual orientation, religion, or disability.

Improving Access to Services under the Violence Against Women Act. The Violence Against Women Act (VAWA), signed by President Obama in 2013, prohibits discrimination based on sexual orientation and gender identity in VAWA funded programs and improves access to services in the STOP grant program. The Budget includes \$423 million in Department of Justice Office on Violence Against Women grants and assistance to support victims of violence, including LGBT victims of domestic violence.

Continuing Progress Toward Ending Homelessness. The Budget provides \$2.4 billion for the Department of Housing and Urban Development's Homeless Assistance Grants, \$301 million above the 2014 enacted level. This funding supports new permanent supportive housing units and maintains over 330,000 HUD-funded beds that assist the homeless Nationwide. Through this investment as well as collaborative partnerships with local governments, non-profit organizations, and among Federal agencies, the Administration will continue to make progress towards the President's ambitious goals to end homelessness across the country. To advance the goal of ending youth homelessness by 2020, Federal agencies have partnered to develop and promote a research-informed framework that focuses on improving data quality and improving service capacity to support highly vulnerable homeless youth, including LGBTQ youth, youth involved in the foster care or juvenile justice systems, and pregnant and parenting youth.

Expanding Access to HIV/AIDS Treatment, Care, and Prevention. The Budget expands access to HIV/AIDS prevention and treatment activities and supports the goals of the National HIV/AIDS Strategy and HIV Care Continuum Initiative to reduce HIV incidence, increase access to care, and reduce HIV-related health disparities. The Budget invests \$2.3 billion in the Ryan White HIV/AIDS Program to provide treatment and care completion services for people living with HIV, which includes \$900 million for the AIDS Drug Assistance Program to ensure that people living with HIV have access to life-saving antiretroviral medications. The Budget also invests \$1.1 billion for CDC HIV/AIDS, Sexually Transmitted Diseases, Tuberculosis, and Viral Hepatitis activities, and aligns HIV funding

with the epidemic by requiring public health departments to target resources where the epidemic is most concentrated.

Supporting Housing Assistance for People Living with HIV/AIDS. The Budget provides \$332 million for HUD's Housing Opportunities for Persons with AIDS (HOPWA) program to address housing needs among people living with HIV/AIDS and their families. The program provides States and localities with the resources to create comprehensive strategies for providing housing assistance that gives patients the stability needed for effective treatment. In partnership with Federal agencies through the HIV Care Continuum, HUD is working to improve outcomes that promote greater achievements in viral suppression through the coordination and alignment of housing support with medical care.

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