

5. THE PRESIDENT'S 1999 BUDGET

The President's balanced budget builds on his efforts to invest in the skills of the American people. It continues his policy of helping working families with their basic needs—raising their children, sending them to college, and paying for health care. It also invests in education and training, the environment, science and technology, and other priorities to help raise the standard of living and quality of life of average Americans.

Within tight constraints, the budget proposes major initiatives that will continue the President's investments in high-priority areas—from helping working families with their child care expenses to allowing Americans aged 55 to 65 to buy into Medicare; from helping States and school districts recruit and prepare thousands more teachers and build thousands more classrooms to addressing the world-wide problem of global warming. The budget pays for every initiative—in the President's words, "line by line, dime by dime."

Investing in the Future

For the President, balancing the budget is not an end in itself. Instead, it helps fulfill his main economic goal—to raise the standard of living for average Americans, both now and in the future. So do his investment priorities.

The budget continues the President's commitment to helping working families balance the demands of work and family with a major effort to make child care more affordable, accessible, and safe. It proposes a Child Care Initiative that would provide tax breaks to help families pay for care; tax incentives to help businesses create or expand child care facilities; direct subsidies for over two million poor or near-poor children; increased funding for before- and after-school programs; and funds to help States enforce safety and quality, to train child care staff, to promote early childhood development, and to improve the health of young children in child care. Also to help working families, the budget proposes tax incentives to encourage small businesses to create pension plans for more workers.

For health care, the budget proposes initiatives to expand health care coverage and improve the Nation's health. It would give new insurance options to hundreds of thousands of Americans aged 55 to 65 and it proposes new initiatives to ensure that as many uninsured children as possible

are covered. In addition, the budget provides for unprecedented investments in biomedical research at the National Institutes of Health; advocates bipartisan national legislation that would reduce tobacco use among the young; expands access to new AIDS therapies through the Ryan White program; enables more Medicare recipients to receive promising cancer treatments by participating more easily in “clinical trials”; expands substance abuse prevention and treatment activities; and enhances food safety. It also funds full participation in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which will provide benefits to 7.5 million people by the end of 1999.

Continuing the President’s efforts to enhance access to, and the quality of, education and training, the budget takes the next step—helping States and school districts to reduce class size by recruiting and preparing thousands more teachers and building thousands more classrooms; and creating new Education Opportunity Zones to provide needed support for high-poverty, low-achieving urban and rural districts while holding them accountable to boost student achievement. The budget also proposes to move further toward the President’s commitment to put a million disadvantaged children in Head Start by 2002; begin field testing voluntary national tests; mobilize and train reading tutors for children; help parents, teachers, and communities create more charter schools that are free of most State regulations; integrate technology into the classroom as we connect every classroom to the Internet; enable more Americans to serve their communities and earn money for college; expand college work-study to a million students; make it easier for parents and students to borrow and repay college loans; raise the maximum Pell Grant college scholarship to its highest level ever; expand assistance to workers dislocated as a result of global trade and technological change; increase G.I. Bill educational benefits for veterans; and expand resources for veterans who lose their jobs.

For the environment, the budget builds on the President’s efforts to address climate change by proposing tax incentives and spending that will spur energy efficiency and help develop low-carbon emission energy sources. It includes incentives for buying new, highly fuel-efficient cars with technologies to reduce carbon emissions; for investing in energy-saving equipment for commercial and residential buildings; for commuting by public transit or vanpool; and for developing innovative energy generation techniques, such as biomass, wind, and photovoltaics. The budget also would restore and rehabilitate national parks, forests, and public lands and facilities; expand efforts to restore and protect the water quality of rivers and lakes; continue efforts to double the pace of Superfund clean-ups; extend the Brownfields

initiative to promote local cleanup and redevelopment; better protect endangered species; continue to restore Florida's Everglades and California's Bay-Delta and protect Yellowstone National Park and California's Headwaters Forest; improve the roads through national parks; and expand the public's access to information about environmental conditions in their neighborhoods.

The budget invests heavily in basic and applied research. Along with increasing funds for biomedical research at the National Institutes of Health, the budget would promote science and engineering research at the National Science Foundation; support space-related activities that enhance our knowledge of Earth; invest in Federal-private ventures to more quickly develop cutting-edge technologies that create jobs; strengthen university-based research; invest in environmental research on safe food and clean air and water; expand support for energy efficiency and renewable energy programs; enable Americans to travel more safely, more quickly, and more efficiently; and put commercial industry's technical know-how and economies of scale to work for national defense.

Challenging times demand innovative solutions, and this budget meets the challenge by proposing three new investment funds for America—for research, the environment, and transportation—that will focus attention on these critical priorities. Together, the funds provide \$75.5 billion, a \$4.7 billion increase over the 1998 level for the programs they contain.

- *The Research Fund for America*, which includes a broad range of investments in knowledge, including programs of the National Institutes of Health, the Centers for Disease Control and Prevention, the National Science Foundation, the National Aeronautics and Space Administration, the Energy Department, the Commerce Department's National Institute of Standards and Technology, Agriculture Department research programs, the multi-agency Climate Change Technology Initiative, and other programs. The budget finances this Fund, in part, through receipts from tobacco legislation and savings in mandatory programs.
- *The Environmental Resources Fund for America*, which encompasses the multi-agency Clean Water Initiative; the new Land, Water, and Facility Restoration Initiative of the Interior and Agriculture Departments; the Agriculture Department's water and wastewater program for rural communities; and the Environmental Protection Agency's programs for cleaning up hazardous waste sites (within the Superfund) and upgrading clean water and safe drinking water

infrastructure. The budget finances the Fund, in part, through an extension of Federal taxes that support the Superfund.

- *The Transportation Fund for America*, which includes the Transportation Department's highway, highway safety, and transit programs; the Flight 2000 free flight demonstration program; and the Federal Aviation Administration's programs, including Airport Grants. The budget finances the Fund, in part, through a new Federal aviation user fee.

Improving Performance Through Better Management

The President has challenged the Federal Government to do more with less—and with good reason.

Departments and agencies, which once could count on more funds from year to year, no longer can; indeed, with the Administration committed to balancing the budget, some agencies will get less. But public demands for more and better services have not shrunk. Americans continue to want good schools, a clean environment, high-quality health care, and secure retirement benefits. Thus, the Government must satisfy these demands by managing better and improving the performance of programs.

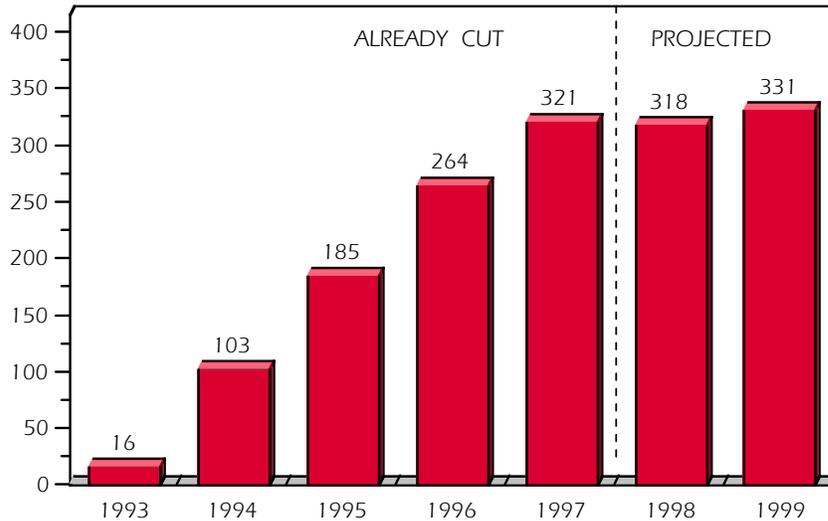
The Administration has answered the call. Vice President Gore, working with the departments, agencies, and inter-agency working groups, and drawing on the expertise of the private sector, has led an unprecedented effort to cut the size of the Federal Government and make it more efficient and effective. Through these reinvention efforts, the Administration has saved \$137 billion over the last five years.

The Administration has cut the civilian Federal work force by over 316,000 employees, creating the smallest work force in 35 years and, as a share of total civilian employment, the smallest work force since 1931 (see Chart 5-1). Almost all of the 14 Cabinet Departments have cut their work forces; only the Justice Department's work force is growing due to the Administration's expanded war on crime and drugs, while the Commerce Department's work force is growing due to the decennial census.

In addition, the Vice President has challenged the leaders of 32 agencies, with over 1.4 million full-time equivalent positions, to commit to achieving significant, concrete, measurable goals over the next three years. These "High Impact Agencies" include the Immigration and Naturalization Service, National Park Service, and Social Security Administration.

Chart 5-1. Cuts in Civilian Employment

FTE CUTS IN THOUSANDS



Note: In 1993, the President pledged to cut the Federal work force by 252,000 full-time equivalent (FTE) positions. Simply put, one full-time employee counts as one FTE, and two employees who work half-time also count as one FTE.

Working with the National Performance Review (NPR), these agencies have developed over 200 specific, measurable commitments that they will complete by the year 2000. They involve improving services in areas that Americans care about.¹ Major performance goals include:

- *Improving student aid delivery:* The Education Department will determine, within four days, the eligibility of students and families who apply for student aid electronically, cutting the processing time in half.
- *Speeding aid to disaster victims:* Through partnerships with Federal, State, local, and voluntary agencies, the Federal Emergency Management Agency will act on all requests to meet victims' needs for water, food and shelter within 12 hours of a disaster event, with the intent to coordinate services within 72 hours of a Presidential declaration of disaster.

¹ The NPR's home page, at www.npr.gov, links to the performance commitments of each agency.

- *Finding the right agency on the first try:* The General Services Administration will restructure Federal listings in the blue pages of local telephone books, ensuring that Americans can find the Government service they need the first time they look.
- *Reducing time for clearance at U.S. airports:* Working with the Agriculture Department and the Customs Service, the Justice Department's Immigration and Naturalization Service will clear international passengers at airports in 30 minutes or less while improving enforcement and regulatory processing.
- *Reducing injury and illnesses in the workplace:* The Labor Department's Occupational Safety and Health Administration will cut injury and illness rates by a fifth in at least 50,000 of the most hazardous workplaces.
- *Increasing access to Federal recreation opportunities:* The National Park Service will create, with other Federal natural resource agencies, an integrated Nation-wide outdoor recreation information system that gives all Americans electronic access to information about recreation on Federal lands, recreation use permits, and reservations.
- *Speeding Social Security information:* The Social Security Administration will provide overnight electronic Social Security number verification for employers. Today, verification can take up to two weeks.

Already, agencies are assessing what their programs actually accomplish and what they must do to improve their performance.

Under the 1993 Government Performance and Results Act, Cabinet departments and agencies have prepared individual performance plans that they will send to Congress with the performance goals they plan to meet in 1999. These plans, in turn, form the basis for the first Government-wide performance plan, which the Administration is sending to Congress along with the budget.

This plan is a good first step in the area of performance measurement, and the President is committed to working with Congress to help agencies continue to improve their performance in a balanced budget world.