

---

---

## **POLICY SUMMARY – NON-CABINET AGENCIES**

---

<b>Corps of Engineers – Civil Works</b> .....	<b>Page 1</b>
<b>Environmental Protection Agency</b> .....	<b>Page 3</b>
<b>Federal Emergency Management Agency</b> .....	<b>Page 5</b>
<b>National Aeronautics and Space Administration</b> .....	<b>Page 7</b>
<b>National Science Foundation</b> .....	<b>Page 9</b>
<b>Small Business Administration</b> .....	<b>Page 11</b>
<b>Smithsonian Institution</b> .....	<b>Page 13</b>
<b>Social Security Administration</b> .....	<b>Page 15</b>
<b>Federal Drug Control Programs</b> .....	<b>Page 18</b>
<b>Other Agencies</b> .....	<b>Page 20</b>

**[Note: The President’s budget also evaluates the effectiveness of select Federal programs and the performance and management of Government agencies. In this summary, these discussions are reflected under “Other Issues” for each agency.]**



---

---

## CORPS OF ENGINEERS – CIVIL WORKS

---

### SUMMARY

The President's budget calls for total discretionary budget authority of \$4.1 billion – a \$500-million, or 11-percent, reduction in funds for the Army Corps of Engineers [ACOE]. Programs taking the biggest cuts include General Construction (\$296 million), General Investigations (\$51 million), and Flood Control, Mississippi River and Tributaries (\$65 million).

### KEY COMPONENTS

- **Flood Damage Reduction:** Besides funding legitimate flood damage reduction projects, the 2003 budget continues assistance to States and local communities to reduce flood risks through planning and promoting better floodplain management.
- **Homeland Security:** The budget provides \$65 million for continuing costs of additional guard positions at critical Corps' facilities.
- **Navigation:** The plan includes \$77 million for construction of Olmsted Lock and Dam in Illinois and Kentucky, an increase of \$37 million over 2002, to expedite completion of this Ohio River project. The budget also provides an increase of \$31.5 million for total funding of \$120 million to accelerate the transportation cost savings and other economic benefits of deepening the Port of New York/New Jersey. The 2003 budget request targets funds to those waterways that provide the greatest economic return, and substantially reduces funding for those that provide minor commercial navigation benefits.
- **Environmental Restoration-Everglades:** The President provides \$245 million in total funding for Everglades restoration. Included in this total is Corps' funding of \$149 million, a \$10-million increase over last year. The budget includes \$46 million for implementation of the Comprehensive Everglades Restoration Plan of which \$37 million is for the Corps.
- **Pacific Northwest Salmon Recovery:** Also included is \$128 million for the Corps' salmon conservation efforts, a \$19-million, or 17-percent, increase over 2002. This allocation includes \$100 million for the Columbia River Fish Mitigation and Lower Columbia River Ecosystem Restoration programs, \$17 million for operation and

---

---

maintenance activities, and \$11 million for studies and other activities needed to ensure compliance.

- **No New Corps Projects:** The budget reduces the backlog of ongoing construction projects in the budget from \$21 billion to \$13 billion over the next 5 years. It proposes to do so by providing \$1.44 billion for the Corps's ongoing construction program in 2003 and comparable levels in future years, providing no funds for discretionary new construction in 2003, targeting funds to projects that fall within the Corps' primary responsibilities, and significantly dropping funds for studies of potential future construction projects.
- **Efficiency Improvements:** The President proposes an increase of \$17 million, or 13 percent, in funding for the Corps' regulatory program for activities affecting navigable waters and wetlands. This increase allows the Corps to reduce the average time for reviewing individual permit applications from 160 days in 2002 to 120 days in 2004.
- **Power Marketing Administrations:** The budget includes a proposal for the Department of Energy's Power Marketing Administrations to provide direct funding from power sales revenue for the operation and maintenance of Corps' hydropower facilities. This new financing arrangement will permit more timely maintenance of hydropower facilities, which will enable the Corps to reduce facility downtime and increase power generation.

## OTHER ISSUES

### Status Report on Select Programs

Areas in need of improvement include the Corps' regulatory program, where acceleration of the permit process is necessary, and its shallow-draft program, where many projects provide recreational benefits rather than commercial.

### Performance and Management

The Corps' 2003 budget submission included little integration of either outcome or output performance information to support proposed resource levels. Auditors were unable to give an opinion on the Corps' 2000 financial statements because of unresolved issues with valuing property, plant, and equipment.

---

---

## ENVIRONMENTAL PROTECTION AGENCY

---

### SUMMARY

The President's budget calls for \$7.7 billion in discretionary budget authority – a decrease from the previous fiscal year of \$300 million. Environmental Protection Agency [EPA] programs receiving funding reductions in fiscal year 2003 include targeted water infrastructure funding (\$386 million) and the Clean Water State Revolving Funds [CWRSF] (\$138 million). Programs receiving modest increases include the EPA's operating program (\$71 million) and the Superfund program (\$4 million).

### KEY COMPONENTS

- **Homeland Security:** The budget includes \$75 million in new research funding to help develop technologies to clean up buildings attacked by bioterrorists. It also provides \$20 million to continue assessing and addressing potential vulnerabilities of the Nation's drinking water systems.
- **Brownfields:** The President's plan doubles EPA funding to assist States and municipalities to clean up brownfields or contaminated industrial sites. It calls for \$200 million for this effort – a 104-percent increase over last year's request of \$98 million. The budget also permanently extends tax expensing of brownfields remediation costs, a benefit of \$2.4 billion over 10 years.
- **Air Pollution:** The budget allocates \$560 million for reducing air emissions. The administration is also developing legislation for a flexible, market-based program to significantly reduce and cap emissions of sulfur dioxide, nitrogen oxides, and mercury from electric power generators. The program would be phased in over a reasonable period of time, provide regulatory certainty, and offer market-based incentives to help achieve required reductions.
- **Water Quality and Safe Drinking Water:** The President provides approximately \$3 billion to support its performance goal of clean and safe water, including \$2 billion to improve local wastewater and drinking water infrastructure through the CWRSF and drinking water State revolving fund.

- 
- 
- **Wetlands:** The budget reduces average time to process an individual wetlands permit by about 25 percent, or 40 days, by 2004, while strengthening wetlands protection.
  - **Watershed Initiatives:** The plan includes \$21 million for a new EPA initiative to protect, preserve, and restore waterways across the country. The program is designed to address water quality problems such as habitat loss, nutrient enrichment, pathogens, and invasive species. The budget also funds several pilot projects on water quality trading.
  - **Biotechnology Research:** The President calls for new biotechnology research addressing three areas: allergenicity risk from genetically modified foods, the ecological risks from genetically modified organisms, and the management of gene transfers and resistance issues.
  - **Sound Science:** With 60 percent of the agency's physical scientists and chemists in the Office of Research and Development eligible for retirement by 2005, the agency plans to complete a workforce restructuring plan by 31 May 2002.
  - **State Grants:** The budget strengthens EPA's partnership with States by shifting more enforcement responsibility and resources to States through establishment of a new \$15-million State enforcement grant program.

## **OTHER ISSUES**

### **Status Report on Select Programs**

The EPA's pesticide reregistration program has had little success identifying and reducing exposure to high risk pesticides. In addition, the agency's environmental education program has been cited for promoting environmental advocacy instead of its intended purpose.

### **Performance and Management**

The EPA is unable to provide unqualified assurance statement as to systems of management accounting and administrative controls. The agency is also suffering from its inability to update its mission goals to support its strategic plan.

---

---

## FEDERAL EMERGENCY MANAGEMENT AGENCY

---

### SUMMARY

The Federal Emergency Management Administration [FEMA] is the primary source of funding for the Federal response to natural disasters or terrorist attacks that befall American communities. The administration's fiscal year 2003 budget significantly augments the resources and responsibilities of FEMA as it enhances homeland defense. Discretionary budget authority for FEMA will grow to \$6.6 billion in fiscal year 2003, a 114-percent increase over estimated funding levels of \$3.1 billion in fiscal year 2002.

### KEY COMPONENTS

- **Grants to First Responders:** As noted in the discussion under "Protecting the Homeland," the President proposes to create a new Federal grant program for States and localities to improve the ability of first responders to save lives when terrorists strike. The budget provides \$3.5 billion in 2003 for these grants, which will be administered by the Federal Emergency Management Administration [FEMA]. The grants will allow local fire departments, police departments and emergency rescue teams to hire needed employees, train staff, enhance preparedness, and purchase needed equipment to improve their ability to rescue victims of terrorism in the critical early hours after an attack when it is more likely that lives can be saved.
- **Office of National Preparedness:** The budget provides \$50 million in 2003 for funding the Office of National Preparedness, the office within FEMA that works with State and local governments to ensure that their planning, training and equipment needs are addressed. The office will also administer the new first responder grant program.
- **Disaster Mitigation:** The budget creates a new \$300-million Disaster Mitigation Grant program, which will replace the formula-based Hazard Mitigation Grant Program. The new grants will be competitively based.
- **Flood Mapping:** The budget provides \$350 million to modernize the Nation's flood maps, and to digitize them and make them available over the internet. Flooding is the single most pervasive disaster faced in the Nation, and among the most preventable. Flood damage represents 57 percent of the total disaster relief resources consumed by the

---

---

Nation annually. But many of the Nation's flood insurance maps are out of date or inaccurate. The new funding seeks to correct this problem.

- **Disaster Relief:** The budget provides \$2.9 billion in disaster relief funding for 2003, including \$1.8 billion in new budget authority. Additionally, the budget proposes an intensive review of unspent balances beginning with the 1994 Northridge Earthquake in California which is expected to generate \$1.1 billion in grant recoveries over a 2-year period. Unspent balances often result from mitigation and other projects that appeared to be needed after a disaster but which were not pursued after further public review or examination.
- **Reform of the National Flood Insurance Program:** The budget proposes savings from the National Flood Insurance Program by phasing out taxpayer subsidies of coverage for second homes and vacation properties. It also proposes that mortgage borrowers insure the full replacement value of their properties, ending State taxation of flood insurance policies, and adding the expected costs of erosion losses in the premiums issued in coastal areas. The reforms are projected to save \$43 million in 2003 and \$2 billion over the next 10 years.
- **Emergency Food and Shelter Program:** Since 1983, FEMA has operated the Emergency Food and Shelter Program to help the hungry and homeless. The budget proposes to transfer this program to the Department of Housing and Urban Development, where it will be consolidated with other programs that provide such services.

## OTHER ISSUES

### Status Report on Select Programs

FEMA's terrorism-related programs and Disaster Response and Relief programs are rated effective at meeting the needs of victims and communities after disasters strike, and for creating well-established working relationships among first responders. The Flood Insurance program is rated moderately effective for processing damage claims quickly, although many at-risk homes are not insured. Disaster mitigation grants and the Flood Map program are rated ineffective because the funding formula for the grants lacks cost-benefit criteria, while the map program is inadequately funded to fulfill its objectives.

### Performance and Management

While FEMA generally performs well at getting resources to stricken communities and disaster victims quickly, its performance at oversight to ensure effective use of this assistance is not as good. Areas in which FEMA is charged to improve are reducing its inability to measure program performance and linking resources to performance information.

---

---

## NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

---

### SUMMARY

The President's budget requests an increase in National Aeronautics and Space Administration [NASA] funding from \$14.8 billion for fiscal year 2002 to \$15 billion in fiscal year 2003, an increase of \$207 million, or 1.4 percent. The President proposes realigning science programs, getting massive cost overruns under control, reducing NASA's operational and institutional burdens while promoting cost management reforms to ensure ongoing NASA projects meet performance, cost, and schedule plans.

### KEY COMPONENTS

- **Earth Sciences:** The budget provides \$1.6 billion for Earth Sciences, a \$2.7-million increase over fiscal year 2002. With several of NASA's Earth Observing System [EOS] missions facing costly delays in completion, this area sees little increase in funding. An exception is in Mission Operations, which receives an increase of \$200 million due to the transfer of funding responsibility for space communications and the EOS Data Information System to Mission Operations.
- **Biological and Physical Research Enterprise:** The budget requests \$849 million for fiscal year 2003, an increase of \$28.3 million, or 3 percent. Two new initiatives are Generations (\$11.2 million) and Space Radiation (\$10.1 million). The Generations project will study the effects of the space flight environment on biological systems; the Space Radiation initiative will generate knowledge, assess health risks to astronauts and develop radiation-shielding, as well as countermeasures that can be employed on future space missions.
- **Space Science:** The Office of Space Science is slated to get \$3.4 billion, an increase of \$547 million, or 19 percent. Mission Operations will receive a \$263.7 million increase, and Technology Programs a \$210.4-million increase over the fiscal year 2002 level. The Gamma-Ray Large Area Space Telescope [GLAST] will receive an additional \$48.5 million.
- **Human Space Flight:** The Office of Space Flight's request for \$6.13 billion for fiscal year 2003 reflects an 11-percent decrease from 2002. These savings are reflected in a

---

---

\$230-million reduction for the International Space Station as the core section nears completion, and by NASA reducing the number of Space Shuttle flights supporting the International Space Station from seven to four per year.

- **Aerospace Technology:** The budget provides for \$2.8 billion for the Office of Aerospace Technology, an increase of \$308 million, or 11 percent, from fiscal year 2002. Most of the additional funds are for an increase of \$292.2 million for the Second Generation Reusable Launch Vehicle Program, which is approaching its systems requirement review kickoff in November 2002.
- **Climate Change Research Initiative [CCRI]:** The President proposes a multiagency program review. NASA will not initiate development of new follow-on satellite missions until a Governmentwide review of the United States Global Research Program determines the best means for achieving CCRI goals.

## **OTHER ISSUES**

### **Status Report on Select Programs**

The administration's review of eight NASA programs revealed that only the Discovery and Exploration Programs were found to be effective. The Mars Exploration Program, the Space Launch Initiative, the Earth Observing System Program, and Aeronautics Research were all found to be moderately effective; and the Outer Planets Program, the Space Shuttle Safety Upgrades, and the International Space Station were all found to be ineffective programs.

### **Performance and Management**

Based on the Governmentwide President's Management Agenda, NASA failed in four of the areas and received mixed reviews in the financial management area. NASA was found to be in need of developing and implementing a overall human capital strategic plan; found to be lagging behind in competitive outsourcing; failing to adequately justify its information technology investments, and found to be having difficulty in identifying appropriate annual research and development costs for multi-year programs.

---

---

## NATIONAL SCIENCE FOUNDATION

---

### SUMMARY

The administration's fiscal year 2003 proposal for the National Science Foundation [NSF] calls for \$5.4 billion. This represents a \$246.6-million, or 5.1-percent, increase over fiscal year 2002. NSF represents about 4 percent of the total Federal budget for research and development, but it supports roughly 50 percent of the non-medical fundamental research at colleges and universities.

### KEY COMPONENTS

- **Research and Related Activities:** Funding for the National Science Foundation's major grant program is \$3.8 billion, an increase of \$185 million, or 5.1 percent. The budget request provides \$37 million to increase the annual stipend from \$21,500 to \$25,000 in the Graduate Research Fellows, Graduate Teaching Fellowships in K-12 Education, and Integrative Graduate Education and Research Traineeship programs.
- **Math and Science Partnerships [MSP]:** The budget proposes \$200 million for the second year of the President's Math and Science Partnership Initiative, part of a planned \$1 billion, 5-year investment. The MSP brings States and local school districts together with science, engineering, and mathematics departments of institutions of higher education to strengthen K-12 math and science education.
- **Priority Research Areas:** The budget includes a new Mathematical Science priority area (\$60 million), provides seed funding for a new priority area in the Social, Behavioral, and Economic Sciences (\$10 million), and sustains funding for four established priority areas: Biocomplexity in the Environment (\$79 million), Information Technology Research (\$286 million), Nanoscale Science and Engineering (\$221 million), and Learning for the 21<sup>st</sup> Century Workforce (\$187 million).
- **Major Research Equipment and Facilities Construction:** The budget requests \$126 million for the Major Research Equipment and Facilities Construction account, and proposes funding three new projects: \$35 million for EarthScope (an earthquake detection and research network); \$12 million for the National Ecological Observatory Network; and \$30 million for Phase II of the Atacama Large Millimeter Array.

---

---

## OTHER ISSUES

### Status Report on Select Programs

- The administration's review of NSF's programs found a number of areas that were performing well and two programs that, while moderately effective, could be improved. Information Technology Research, Nanotechnology, and Core Research all scored as "Effective" while Education and Human Resources and Major Research Equipment and Facility Construction were found to be moderately effective but in need of improvement.

### Performance and Management

Overall, NSF out-performed most other parts of Government. NSF is the leader in financial management and meets most of the standards for expanding E-Government. NSF is working to improve its human capital, competitive sourcing and budget/performance integration. NSF's reputation for running an efficient research programs has allowed it to provide leadership to other agencies, such as the Environmental Protection Agency and the Department of Education, in how they can improve their research programs.

---

---

## SMALL BUSINESS ADMINISTRATION

---

### SUMMARY

After a 15-percent appropriation reduction in fiscal year 2002, the Small Business Administration [SBA] budget authority is stabilized at \$797 million in 2003. That is \$15 million, or 2 percent, more than current funding.

### KEY COMPONENTS

- **Business Loans:** Business loan spending goes up from \$208 million supporting and subsidizing \$9.2 billion in direct and guaranteed loans in 2002 to \$223 million in 2003, increasing such loans by \$1 billion.
- **Disaster Loans:** Disaster loan spending goes down \$17 million to \$197 million, supporting \$976 million in disaster loans, consistent with the past 5 years' activity average. (Disaster loans in 2002 total nearly \$1.4 billion due to one-time Emergency Response Fund spending in response to 11 September.)
- **Technical Assistance:** Technical assistance spending totals \$161 million in the President's budget, cutting \$31 million for the One-Stop-Capital Shop program and the Program for Reinvestment in Microentrepreneurs [PRIME]. Technical assistance programs funded in the Budget include Small Business Development Centers [SBDCs], the Service Corps of Retired Executives [SCORE], and the section 8(a) program.

### OTHER ISSUES

#### Status Report on Select Programs

The President's budget rates as "effective" the Small Business Investment Company [SBIC] and the disaster direct loan program, and as "moderately effective" the 7(a) General Business Loan Program. The Small Business Development Centers are assessed as "unknown" and the section 8(a) program and One-Stop-Capital Shops are rated as "ineffective."

---

---

## **Performance and Management**

Among the best Executive Branch Management Scorecards, SBA had three out of five ratings that it “achieved some but not all of the criteria” for: financial management; E-Government; and Budget/Performance Integration. Only one other agency, the Social Security Administration, had three ratings that high. Nevertheless, the Loan Monitoring System [LMS], SBA’s largest information technology investment, which is critical to SBA’s ability to effectively manage its \$50 billion loan portfolio, is behind schedule, over budget, and not performing to specifications.

---

---

## SMITHSONIAN INSTITUTION

---

### SUMMARY

The budget proposal focuses on management issues, and future changes in direction for the Smithsonian museums. Overall budget authority is increased 6 percent, from \$497 million to \$528 million. This proposal completes Federal funding for construction of the National Museum of the American Indian and continues restoration of the Patent Office Building. It also provides funding to decrease the large backlog of required maintenance.

### KEY COMPONENTS

- **Security:** The Smithsonian received \$20 million in emergency supplemental funding in 2002 to maintain the security of its facilities.
- **Maintenance:** The budget increases resources for maintenance, boosting funds to reduce the large backlog of currently identified revitalization needs by 6 percent from 2001.
- **Repair Priorities:** The Smithsonian's maintenance and restoration budget would need to increase four-fold within 5 years to eliminate the current backlog. Because this will not be possible under current budget constraints, the Smithsonian will set priorities for repair and restoration. (See below: Cost Overruns and Deterioration)

### OTHER ISSUES

#### Performance and Management

The budget analyzes the efficiency of providing museum services at the various Smithsonian museums by comparing the operating cost of each facility with its level of attendance. It finds that more than 85 percent of all Smithsonian visitors are received by just five facilities. The remaining 11 facilities welcome only 15 percent of visitors, yet consume more than 35 percent of the Smithsonian's operating costs. The cost to taxpayers of a visit to a Smithsonian museum ranges from about \$2 to nearly \$20.

---

---

The budget also says that, because the Smithsonian does not allocate any of its research and development grants through merit-based competition, the administration may, in future years, transfer necessary amounts to the National Science Foundation.

Finally, the budget notes that the Smithsonian does not stay within cost estimates for significant projects, and the deterioration of existing buildings at the expense of expansion has created a huge maintenance and restoration backlog.

---

---

## SOCIAL SECURITY ADMINISTRATION

---

### SUMMARY

Under the President's budget proposal, the Social Security Administration [SSA] for fiscal year 2003 includes \$8.4 billion in discretionary budget authority to administer the distribution of benefits for the elderly, disabled, and their dependents. This represents a net increase in discretionary authority of \$377 million, or 4.7 percent, over the 2002 level. Mandatory outlays of \$492.9 billion are proposed, representing a net increase of \$16.3 billion, or 3.4 percent, over the 2002 level. Social Security benefits for disability recipients and retirees and their dependents [OASDI] would be \$471.8 billion, an increase of \$16.4 billion, or 3.6 percent over fiscal year 2002. (These benefit payments are off budget.) Supplemental Security Income [SSI] would be funded at \$32.5 billion, an increase of \$1.1 billion, or 3.7 percent, over the 2002 level.

In December 2001, the President's Commission to Strengthen Social Security released its analysis of the financial problems confronting Social Security and its recommendations for addressing them. The Commission determined that reforming Social Security to include personal retirement accounts would lead to better long run outcomes for future beneficiaries, the Social Security program, and the economy as a whole. The President's 2003 budget calls for a year-long national dialog to carefully consider the Commission's recommendations as well as the consequences of inaction.

The Commission's findings, echoed in the budget documents, are as follows:

- Personal accounts would increase retirement security because they would facilitate wealth creation for all participants.
- Asset ownership would lead to improved financial security by diversifying risk.
- Partial advance funding should be a goal of any effort to strengthen Social Security.
- A Social Security system with personal accounts would offer higher total expected benefits to individuals than a system without accounts, regardless of what other steps are taken to balance the system's finances.

- 
- 
- Personal accounts can reduce the long-term cost growth of Social Security, thus improving its fiscal sustainability.
  - Social Security could be made fiscally sustainable in a number of ways, all of which would require some combination of changing the rate of benefit growth and committing additional revenues to the system generated by taxation or by the proceeds of investment.
  - Congress and the President should engage in a period of national discussion for at least one year to carefully consider all policy alternatives, as well as the consequences of inaction, and then take the appropriate steps necessary to strengthen and modernize Social Security.

The President's 2003 budget also includes resources to increase productivity in customer service areas of the SSA while also redeploying staff to front line customer service positions, thus improving performance in important areas such as the timely processing of retirement claims and the ability to conduct customer service activities via the Internet.

#### **KEY COMPONENTS**

- **Benefits:** The budget includes \$471.8 billion for retirement, disability, spousal and survivor benefits in 2003, an increase of 3.6 percent over fiscal year 2002. (These amounts are off budget.)
- **Cost-of-Living-Adjustment [COLA]:** The budget includes a 2.6 percent cost-of-living-adjustment for Social Security beneficiaries, an annual increase of \$264 for the average Social Security recipient.
- **Detecting and Preventing Payment Errors:** The administration's budget includes \$1.05 billion for conducting disability reviews and re-determinations to minimize improper payment of benefits.
- **Information Technology:** The budget includes \$688 million for SSA information technology which will allow the agency to maintain and expand its Internet services, improve security capabilities, support electronic wage reporting by employers and make a variety of other improvements.

#### **OTHER ISSUES**

##### **Status Report on Select Programs**

Ticket to Work is legislation passed in the 106th giving disability recipients greater freedom to work without sacrificing Medicare, Medicaid, or other benefits. The legislation also increased

---

---

the allowance for substantial gainful activity. The program is expected to increase the percentage of DI and SSI beneficiaries who are employed. Hence the President's budget includes \$40 million for SSA's return-to-work activities in 2003.

### **Performance and Management**

The President's budget sets specific performance goals for 2003. SSA will strive to: 1) increase the percent of retirement claims processed within 14 days from 83 percent in 2001 to 88 percent in 2003; 2) increase the percent of SSA's customer-initiated services available to customers either electronically via the Internet or through automated telephone service from 21 percent in 2001 to 40 percent in 2003; and 3) increase the number of callers that access SSA's 800 number within five minutes of their first attempt from 92 percent in 2001 to 94 percent in 2003.

---

---

## FEDERAL DRUG CONTROL PROGRAMS

---

### SUMMARY

The President's budget sets funding for Federal drug control programs at \$19.2 billion in budget authority [BA] for fiscal year 2003. The Office of National Drug Control Policy [ONDCP], which is responsible for developing a Government-wide National Drug Control Strategy, is funded at \$497 million in BA in the budget proposal and intends to focus Federal Government efforts on treatment and prevention through education. The President further proposes a significant restructuring of the national drug control budget to correct weaknesses in the methodologies agencies use to measure drug control spending.

### KEY COMPONENTS

- **Greater Emphasis on Education and Community Action:** The budget includes \$180 million for the National Youth Anti-Drug Media Campaign and \$60 million in matching grants to local anti-drug coalitions to prevent the illegal use of drugs, alcohol, and tobacco by youths.
- **Safe and Drug-Free Schools:** The President's budget directs the Department of Education to develop an evaluation plan for the Safe and Drug-Free Schools program to improve accountability and alert schools to problem areas.
- **Increasing Support for Drug Treatment:** The President's budget proposes an increase of nearly \$110 million for Substance Abuse and Mental Health Services Administration's Targeted Capacity Expansion program, designed to support a rapid response to emerging trends in substance abuse. The budget also includes a \$60 million increase for the Substance Abuse Prevention and Treatment Block Grant, which will provide additional funding to States for treatment and prevention services.
- **Disrupting Drug Trafficking:** The budget attacks narcotics trafficking in source countries through training, equipment, and law enforcement cooperation. The President's budget includes \$731 million for the Andean Counterdrug Initiative, an increase of \$86 million, or 13.3 percent.

- 
- 
- **High Intensity Drug Trafficking Areas [HIDTA]:** The budget includes \$206 million for High Intensity Drug Trafficking Areas, \$20 million less than fiscal year 2002, and provides funding to measure performance since no systematic evaluation of the HIDTA program has ever been conducted and no credible performance measures have been developed.
  - **Drug Courts Program:** The budget includes \$52 million to support the Drug Courts Program. The courts leverage coercive power to force abstinence from drugs and to alter behavior with escalating sanctions, mandatory drug testing, treatment, and strong aftercare programs.
  - **Treating Drug Abuse Among Prison Inmates:** The President's budget proposes \$77 million for the Residential Substance Abuse Treatment program [RSAT] to distribute funds to States that support drug and alcohol treatment in State correctional systems.

---

---

## OTHER AGENCIES

---

### SUMMARY

The President's budget contains a single chapter concerning various other Government agencies. Among the key ones are the following:

### KEY COMPONENTS

- **National Endowment for the Arts [NEA]:** NEA funding increases from \$115 million to \$117 million. In 2003, NEA will promote hands-on art education programs for children from pre-school through grade 12.
- **National Endowment for the Humanities [NEH]:** NEH increases from \$124 million to \$127 million.
- **Institute of Museum and Library Services ([IMLS]:** The budget increases funding from \$195 million to \$211 million for core IMLS activities benefitting libraries and museums. A new \$10-million initiative to recruit and train library professionals is proposed, due to an expected future shortage in the field. IMLS is up for reauthorization, and the administration endorses such legislation.
- **Equal Employment Opportunity Commission [EEOC]:** The \$324 million budgeted for EEOC is a reduction due to expected workforce restructuring and a reduction of management layers. EEOC will be able to continue reducing its case backlog, and also make \$15 million in critical information technology improvements.
- **Securities and Exchange Commission [SEC]:** The President's budget includes \$481 million – an increase of \$58 million, or 14 percent – to regulate U.S. capital markets and the securities industry. But SEC fees are expected to total more than \$1.3 billion in fiscal year 2003.
- **Commodity Futures Trading Commission [CFTC]:** The President's budget includes \$83 million to regulate U.S. futures and options markets, \$9 million more than the non-emergency fiscal year 2002 level. The budget also proposes a new fee on each transaction to offset \$33 million of the \$83 million.