

## THE PRESIDENT'S FISCAL YEAR 2017 BUDGET: OVERVIEW MEETING OUR GREATEST CHALLENGES

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Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

### BUILDING ON OUR ECONOMIC AND FISCAL PROGRESS

The Budget makes critical investments while adhering to the bipartisan budget agreement signed into law last fall. It lifts sequestration in 2018 and beyond so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

**A Record of Job Growth and Economic Expansion.** Under the President's leadership, the U.S. economy has become an engine of job growth and economic expansion, outpacing other advanced economies in recovery from the Great Recession. American businesses have added 14 million jobs over the past 71 months – the longest streak of job growth on record. Our unemployment rate is below five percent for the first time in almost eight years. And the economy added 903,000 new manufacturing jobs in the last six years – the first sustained job growth in the sector since the 1990s. Nearly 18 million Americans have gained health insurance under the Affordable Care Act and our high school graduation rate is at an all-time high.

**Reflecting on Our Fiscal Progress.** We have made remarkable economic and fiscal progress, showing what's possible when strategic investment to grow our economy is paired with smart reforms, for example to our health care system, that address the true drivers of our long-term fiscal challenges. Since 2009, under the President's leadership, Federal deficits have fallen by nearly three-quarters – the most rapid sustained deficit reduction since just after World War II. The annual deficit in 2015 fell to 2.5 percent of the Gross Domestic Product (GDP), the lowest level since 2007, and well below the average of the last 40 years.

**Building on Our Success for a Stronger Economy.** The President's Budget continues that approach, investing in America's future and laying out a path to address our greatest challenges. It builds on the bipartisan budget agreement secured last fall, adhering to the discretionary levels provided for 2017, while also putting forward paid-for mandatory investments that are critical to building durable economic growth in the future and maintaining America's edge as the leader in innovation and cutting-edge science. The Budget proposes a number of reforms – including a detailed international tax reform plan – that would modernize the business tax code to make it fairer and more efficient, and to create jobs. The Budget also finishes the job the past two bipartisan agreements started by preventing the return of harmful sequestration funding levels in 2018 and beyond, replacing the savings by closing tax loopholes and reforming tax expenditures, and with smart spending reforms.

**Investing in Economic Growth While Maintaining Fiscal Responsibility.** The Budget more than pays for all new investments, achieving \$2.9 trillion of deficit reduction over 10 years, from health, tax, and immigration reforms, and other proposals. The Budget includes roughly \$375 billion of health savings that grow over time and builds on the ACA with further incentives to improve quality and control health care cost growth. The Budget achieves more than \$955 billion in deficit reduction from reducing tax benefits for high-income households, helping to bring in sufficient revenues to make vital investments while also helping to meet our promises to seniors. The Budget reflects the President's support for commonsense, comprehensive immigration reform along the lines of the 2013 bipartisan Senate-passed bill, which CBO has estimated would reduce the deficit by about \$170 billion over 10 years and by almost \$1 trillion over two decades.

The Budget keeps deficits below three percent of GDP while stabilizing debt and putting it on a declining path for most of the next decade – key measures of fiscal progress – showing that investments in growth and opportunity are compatible with putting the Nation's finances on a strong and sustainable path.

## **INNOVATION TO FORGE A BETTER FUTURE**

The Budget invests in accelerating the pace of American innovation, so we can create jobs and build the economy of the future while tackling our greatest challenges, including addressing climate change and finding new treatments and cures for devastating diseases. The Budget includes investments in:

**Building a 21<sup>st</sup> Century Transportation System.** The Budget invests \$320 billion over 10 years in a multi-agency initiative to build a clean transportation system for the 21<sup>st</sup> Century that

speeds goods to market while reducing America's reliance on oil, cutting carbon pollution, and strengthening our resilience to the effects of the changing climate. Overall, the 21<sup>st</sup> Century Clean Transportation Plan will increase American investments in clean transportation infrastructure by roughly 50 percent above current levels while reforming the transportation investments already being made to move America to more sustainable, low-carbon investments.

**Prioritizing Research and Development.** The Budget sustains the Administration's consistent prioritization of R&D with an investment of \$152 billion for R&D overall through both discretionary and mandatory funding proposals, a four percent increase from 2016.

- **Doubling Clean Energy R&D.** Since the President took office, the Administration has made the largest investments in clean energy in American history. The Budget provides \$7.7 billion government-wide, a 20 percent increase over 2016, for fundamental and transformative clean energy R&D across 12 agencies, a first step in support of Mission Innovation, the landmark agreement currently among 20 countries to double government funding for clean energy R&D over five years.
- **Supporting Basic Research.** The Budget provides \$14.6 billion in 2017, an increase of over \$900 million over the 2016 enacted level, for the National Science Foundation, the Department of Energy's Office of Science, and the National Institute of Standards and Technology, which invest in basic research – the type of R&D that is most likely to have spillover impacts to multiple endeavors and in which the private sector typically underinvests.
- **Supporting a Cancer Moonshot.** During his 2016 State of the Union Address, President Obama called on Vice President Biden to lead a new, national "Moonshot" initiative to eliminate cancer as we know it. The Budget supports this effort with a \$1 billion initiative to provide the funding necessary for researchers to accelerate the development of new cancer detection and treatments. This includes \$195 million in new cancer activities at the National Institutes of Health (NIH) in Fiscal Year 2016, \$755 million in mandatory funds in the 2017 Budget for new cancer-related research activities at both NIH and the Food and Drug Administration, and support from other agencies such as the Departments of Defense and Veterans Affairs.
- **Advancing Biomedical Research.** The Budget provides \$33.1 billion to support biomedical research at the National Institutes of Health (NIH), providing about 10,000 new and competing NIH grants that will help us better understand the fundamental causes and mechanisms of disease, like the BRAIN Initiative and Precision Medicine.
- **Revitalizing American Manufacturing.** The Budget invests in coordinated, cutting-edge manufacturing R&D, while also expanding industry-driven workforce training and providing additional resources through the Manufacturing Extension Partnership to help America's small manufacturers access the technology and expertise they need to expand. It includes investments to grow the National Network of Manufacturing Innovation, a national network of innovative R&D centers to help keep U.S. manufacturing in the lead on technology.

- **Creating the Industries and Jobs of the Future.** The Budget invests in R&D that can help create the industries and jobs of the future, such as supercomputing, Big Data, robotics, advanced materials, nanotechnology, and synthetic biology. In addition, the Budget makes new investments to sustain America's leading edge in the development of autonomous vehicle technologies and self-driving cars.
- **Investing in Civil Space Activities.** The Budget provides robust funding to support space exploration, monitor the Earth's weather and climate from space, develop new space technologies, and partner with the private sector to reinforce the Nation's leadership and take the next step on the journey to Mars.
- **Addressing Challenges in Agriculture through R&D.** Recognizing the importance of science and technology to meet challenges in agriculture, the Budget invests in three major areas of agricultural R&D: the Agriculture and Food Research Initiative competitive research grants; the Agricultural Research Service intramural research; and construction and renovation of key infrastructure investments based on the Department of Agriculture's facility modernization plan.
- **Simplifying and Expanding the Research and Experimentation Tax Credit.** The Research and Experimentation (R&E) Tax Credit is an important Federal incentive for private-sector research investments, and last year, the President signed legislation to make the credit permanent and expand the incentive for R&D investments by small businesses. The Budget simplifies and expands the tax credit for companies investing in innovation.

**Protecting and Expanding the Nation's Water Supply.** The Budget supports the Administration's two-part water innovation strategy to boost water sustainability and reduce the price and energy costs of new water supply technology to increase the resilience of our Nation's water supplies to stressors like climate change and population growth, among others.

**Supporting Adoption of Clean Energy.** In addition to Mission Innovation funding, the Budget provides over \$1.3 billion to accelerate the adoption of clean energy sources such as solar, wind, and low-carbon fossil fuels, and energy-efficiency technologies.

**Partnering with Communities to Tackle Climate Risk.** The Budget invests in programs that advance our scientific understanding of projected climate impacts, including changes in droughts, wildland fires, and coastal and inland flooding; assist communities in planning and preparing for future risks; and support risk-reduction and adaptation projects on the ground.

**Protecting and Preserving Public Lands and Oceans.** The Budget includes robust funding to support proven programs like the Land and Water Conservation Fund that allow Federal agencies and their partners to enhance the resilience of our lands and waters, and continue to preserve and share our cultural and historical identity.

### **Leading Global Efforts to Cut Carbon Pollution and Enhance Climate Change Resilience.**

In support of the President's Climate Action Plan, the Budget provides \$1.3 billion to advance the goals of the Global Climate Change Initiative (GCCCI) through important multilateral and bilateral engagement with major and emerging economies. This amount includes \$750 million in U.S. funding for the Green Climate Fund (GCF), which will help developing countries leverage public and private financing to invest in reducing carbon pollution and strengthening resilience to climate change.

## **OPPORTUNITY FOR ALL**

As the President stated in the 2016 State of the Union Address, one of the Nation's key challenges is how to give everyone a fair shot at opportunity and economic security. In today's global economy, our competitiveness depends on tapping the full potential of all Americans. To address this challenge, the Budget supports education; training and support for workers and their families; access to health care; and other investments to ensure that all Americans contribute to and benefit from our economic growth.

**Improving Access to High-Quality Child Care and Early Education.** High-quality child care and early education for young children support parents in the workforce and help foster healthy child development and school readiness. The Budget aims to ensure that children have access to high-quality learning starting at birth by:

- **Expanding access to quality child care for working families.** The Budget ensures that all low- and moderate-income working families with young children have access to quality, affordable child care, as opposed to the small share of children who receive this help today. Overall, this will expand access to high-quality care for more than 1.1 million additional children under age four by 2026.
- **Cutting taxes for families paying for child care with a credit of up to \$3,000 per child.** The Budget triples the maximum Child and Dependent Care Tax Credit (CDCTC) for families with children under age five and makes the full CDCTC available to families with incomes of up to \$120,000, benefiting families with young children, older children, and dependents who are elderly or have disabilities.
- **Increasing the duration of Head Start programs, while maintaining access to Head Start.** The Budget includes \$9.6 billion for Head Start, an increase of \$434 million over 2016 enacted. Within this total, the Budget provides an additional \$292 million in 2017 to increase the number of children attending Head Start in a full school-day and -year program, which research shows is more effective than programs of shorter duration and also helps meet the needs of working parents.
- **Supporting universal preschool.** The Preschool for All initiative, in partnership with the States, provides all four-year-olds from low- and moderate-income families 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. The Budget increases funding for Preschool Development Grants (PDGs), which lay the groundwork for universal preschool. With the support of Federal funding made available through the PDG program, 18 States are currently developing and expanding high-quality preschool programs in targeted, high-need communities.

- **Investing in voluntary, evidence-based home visiting.** The Budget extends and expands evidence-based, voluntary home visiting programs, which enable nurses, social workers, and other professionals to connect families to services to support children's healthy development and learning.
- **Invests in early learning for children with disabilities.** The Budget provides increased funding for the Individuals with Disabilities Education Act (IDEA) Preschools Grants and the IDEA Infants and Families program, an increase of \$80 million compared to 2016, including funding to help identify, develop and scale-up evidence-based practices for early identification of and intervention for learning and developmental delays.

**Putting All Students on a Path to College and Careers.** We have made significant progress in expanding educational opportunities and we are getting results: high school graduation rates are up, drop-out rates are down, and far more students are attending college than in 2008. But there's more we must do to ensure that all children get a high-quality education that allows them to reach their full potential. The Budget focuses on providing equity and opportunity for all students in elementary and secondary education and expanding college opportunity and quality by:

- **Helping Students Prepare for College and Careers.** The Budget increases funding for Title I Grants to Local Educational Agencies, the cornerstone of Federal efforts to ensure that all students, including poor and minority students, students with disabilities, and English learners, graduate from high school prepared for college and careers.
- **Supporting Computer Science for All.** The Budget invests \$4 billion in mandatory funding over three years for the new Computer Science for All initiative, which would support State efforts to expand access for all students to computer science instruction and programs of study. The Budget invests discretionary resources in a Computer Science for All Development Grants program for school districts to promote innovative strategies to provide high-quality instruction and other learning opportunities in computer science.
- **Providing Tuition-Free Community College for Responsible Students.** The Budget funds America's College Promise (ACP), which would create a new partnership with States to make two years of community college free for responsible students, letting students earn the first half of a bachelor's degree or an associate's degree and acquire skills needed in the workforce at no cost. America's College Promise would also provide grants to four-year HBCUs and MSIs to provide first-time low-income students, including community college transfers, with up to two years of college at zero or significantly reduced tuition.

- **Strengthening Pell Grants.** Pell Grants are central to our efforts to help low- and moderate- income students afford college. The Budget supports and encourages on-time and accelerated completion through year-round Pell availability to low-income students who have completed a full-time course load and through a \$300 increase in the maximum Pell Grant for students who take 15 or more credits. The Budget also continues to index the grant to inflation indefinitely for future generations. The Second Chance Pell proposal expands opportunity to incarcerated individuals eligible for release with the goals of helping them get jobs and strengthen their communities.
- **Simplifying the Free Application for Federal Student Aid.** The Budget eliminates burdensome and unnecessarily complex student aid application questions to make it easier for students and families to access Federal student aid and afford a college education.
- **Simplifying and expanding education tax benefits.** The Budget streamlines and expands education tax benefits by consolidating the Lifetime Learning Credit into an expanded American Opportunity Tax Credit (AOTC), which would be available for five years and refundable up to \$1,500; exempting Pell Grants from taxation and the AOTC calculation; and eliminating tax on student loan debt forgiveness, while repealing the complicated student loan interest deduction for new borrowers.

**Helping Workers Get the Skills They Need for the 21<sup>st</sup> Century Economy.** A nation’s ability to ensure a steady and consistent pipeline of highly skilled workers is one key ingredient to helping its economy grow and thrive. One of the surest paths to ensuring that the economy works for everyone is to expand access to job training and education for in-demand skills. The Budget supports this agenda by:

- **Expanding Technical Training Programs for Middle Class Jobs.** The Budget proposes a new American Technical Training Fund to provide competitive grants to support evidence-based, tuition-free job training programs in high-demand fields.
- **Expanding the Proven Learn-and-Earn Strategy of Apprenticeship.** The Budget establishes a \$2 billion mandatory Apprenticeship Training Fund to help meet the President’s goal to double the number of apprentices across the United States, giving more workers the opportunity to develop job-relevant skills while earning a paycheck.
- **Creating a Talent Compact to Keep and Attract Jobs to the United States.** The Budget includes \$3 billion in competitive funding to create more than 50 “Talent Hotspots” across the United States that would prioritize a sector and make a commitment to recruit and train the workforce to help local businesses grow and thrive, attract more jobs from overseas, and fuel the talent needs of entrepreneurs. This proposal would produce a pipeline of about half a million skilled workers over the next five years.
- **Empowering Workers, Training Providers, and Employers with Better Information on Jobs, Skills and Training.** The Budget proposes a new Workforce Data Science and Innovation Fund that would recruit to the Department of Labor (DOL) a best-in-class

team to help States find new ways to use technology and data analytics to improve training programs and consumer choice. And similar to HHS's Open Health Data Initiative, DOL would partner with the Department of Commerce to develop new open source data on jobs and skills to spur the creation of new products to help match workers to better jobs.

- **Opening Doors to a First Job for More Young Americans.** The Budget invests \$5.5 billion in mandatory funding to help more than one million young people gain the work experience, skills and networks that come from having a first job.
- **Creating Pathways to High-Growth Jobs.** The Budget builds on the progress in the bipartisan Workforce Innovation and Opportunity Act (WIOA) by funding the core DOL WIOA formula grants at their full authorized level and by investing \$3 billion in mandatory competitive funding for regional partnerships that bring together employers, education and training providers, and workforce boards with the goal of training a half million people and placing them into jobs in high-demand sectors.
- **Investing in Health Professions Education to Improve Access to Health Care Providers and Services.** The Budget invests in growing the health care workforce, including expanding and extending funding for the National Health Service Corps through FY 2020 to increase the number of providers serving in the areas across the country that need them most.

**Helping Americans Thrive in the 21<sup>st</sup> Century Economy.** The Budget invests in programs that help ensure workers in the 21<sup>st</sup> century economy can balance work and family obligations, stay healthy, save for retirement, and are protected during temporary periods of unemployment and upon return to work. The Budget also supports evidence-based efforts to reduce poverty and help those who are struggling to get back on their feet.

- **Tax Reform that Promotes Growth and Opportunity.** The Budget's tax proposals support work by expanding the Earned Income Tax Credit for workers without qualifying children, and creating a Second Earner Tax Credit for married couples in which both spouses work.
- **Strengthening Efforts to Help Low-Income Families Succeed.** The Budget funds proposals designed to reduce poverty, assist families in deep poverty or experiencing a financial crisis, and improve efforts to help parents find and keep jobs. These proposals include establishing an Emergency Aid and Service Connection Grants program, strengthening the Temporary Assistance for Needy Families program (TANF), creating a permanent Summer Electronic Benefits Transfer for Children program, expanding opportunity for Native American Youth, and building on current efforts to better serve Native youth.
- **Expanding Paid Leave.** The Budget encourages States to establish paid leave programs, providing more than \$2 billion for the Paid Leave Partnership Initiative to help up to five States launch paid family and medical leave programs, as well as small grants to help



States and localities conduct analyses to inform the development of paid family and medical leave programs. These investments complement the President's executive actions to expand paid sick leave for employees of Federal contractors.

- **Modernizing the Unemployment Insurance Safety Net.** The Budget proposes a cost-neutral set of reforms to strengthen and modernize the Unemployment Insurance (UI) program to reflect the modern economy and workforce. These reforms ensure more hardworking Americans have access to UI if they lose a job, provide new protections for workers who take a pay cut in order to get back into work, strengthen the program's connection to work, make the program more responsive to economic downturns, and ensure State programs have enough resources to protect workers in the midst of a recession.
- **Helping All Workers Save for Retirement.** The Budget includes a package of proposals aimed at increasing access to retirement plans and increasing the portability of retirement savings and benefits. These proposals aim to ensure near-universal access to workplace retirement savings accounts and test new approaches to making retirement benefits more portable across jobs.
- **Partnering with Communities to Expand Opportunity.** Initiatives such as Promise Zones, Investing in Manufacturing Communities Partnership, Partnership for Sustainable Communities, and Performance Partnership Pilots for Disconnected Youth have supported holistic, local responses to pressing issues. The Budget continues the Administration's place-based approach to coordinating programs that help create jobs and opportunity, promote resilience and sustainability, and implement local visions in communities across the Nation.
- **Ending Homelessness.** The Budget sustains funding to support programs dedicated to ending veteran homelessness, while also funding housing vouchers and rapid rehousing over the next ten years to reach and maintain the goal of ending homelessness among all of America's families in 2020. This significant investment is based on recent rigorous research that found that families who utilized vouchers – compared to alternative forms of assistance to the homeless – had fewer incidents of homelessness, child separations, intimate partner violence and school moves, less food insecurity, and generally less economic stress.

**Ensuring Access to Quality, Affordable Health Care.** The Budget supports the Affordable Care Act, which is already providing coverage for millions of Americans through the Health Insurance Marketplaces, the delivery of financial assistance to make coverage affordable, and the expansion of Medicaid. It also supports:

- **Expanding Access to Mental Health Care.** One in five American adults experience a mental health issue at some point in their life, yet millions do not receive the care they need. The Budget includes \$500 million in new mandatory funding to help engage individuals with serious mental illness in care, improve access to care by increasing service capacity and the behavioral health workforce, and ensure that behavioral health

care systems work for everyone.

- **Addressing the Prescription Drug and Heroin Overdose Epidemic.** More Americans now die every year from drug overdoses than they do in motor vehicle crashes. The Budget takes a two-pronged approach to address this epidemic. First, it includes \$1 billion in new mandatory funding over two years to expand access to treatment for prescription drug abuse and heroin use and help ensure that every American who wants treatment can access it and get the help they need. Second, it includes funding to continue and increase current efforts to expand State-level prescription drug overdose prevention strategies, increase the availability of medication-assisted treatment programs, improve access to the overdose-reversal drug naloxone, and support targeted enforcement activities.

**Incentivizing Justice Reform with the 21st Century Justice Initiative.** The Administration continues to support criminal justice reform that enhances public safety, avoids excessive punishment and unnecessary incarceration, and builds trust between the justice system and the community. The Budget includes a \$5 billion investment for a new 21st Century Justice Initiative that will focus on achieving three objectives: reducing crime, reversing practices that have led to unnecessarily long sentences and unnecessary incarceration, and building community trust.

## **NATIONAL SECURITY AND GLOBAL LEADERSHIP**

Economic growth and opportunity can only be achieved if America is safe and secure. The Budget provides the resources to address security threats wherever they arise and continue to demonstrate American leadership around the world.

**Destroying ISIL.** The President's highest priority is keeping the American people safe. That is why the United States is leading the global coalition that will destroy the Islamic State of Iraq and the Levant (ISIL). The Budget provides over \$11 billion for the Department of Defense (DOD) and the Department of State to support U.S. efforts to continue to hunt down terrorists; provide training and equipment to forces fighting ISIL on the ground; help stabilize communities liberated from ISIL in Syria and Iraq; disrupt ISIL's financing and recruitment; strengthen our regional partners, provide humanitarian assistance to those impacted by the conflict; and support a political solution to the Syrian civil war.

**Countering Violent Extremism.** The President's Budget includes funding for innovative, community-based approaches that seek to discourage violent extremism and to improve the ability of communities to identify potential extremists and intervene where necessary to thwart radical behavior that may lead to violence.

**Securing the Digital Economy for All Americans Through Strengthened Cybersecurity.** The Budget invests \$19 billion in overall Federal resources for cybersecurity to support a broad-based cybersecurity strategy for securing the Government, enhancing the security of critical infrastructure and important technologies, investing in next-generation tools and workforce, and

empowering Americans. In particular, this funding will support the Cybersecurity National Action Plan, which takes near-term actions and puts in place a long-term strategy to enhance cybersecurity awareness and protections, protect privacy, maintain public safety as well as economic and national security, and empower Americans to take better control of their digital security.

**Supporting the Transition in Afghanistan.** The Budget includes resources to reinforce Afghanistan's security and development by supporting military training and assistance, as well as health, education, justice, economic growth, governance, and other civilian assistance programs necessary to promote stability and strengthen diplomatic ties with the international community. The Budget also supports the U.S. military mission to train, advise, and assist the Afghan National Security Forces and maintain a counterterrorism capability.

**Countering Russian Aggression and Supporting European Allies.** The Budget includes \$4.3 billion for political, economic, public diplomacy, and military support to build resilience and reduce vulnerabilities to Russian aggression among NATO allies and partner states in Europe, Eurasia, and Central Asia. As part of that effort the Budget includes \$3.4 billion for the Department of Defense's European Reassurance Initiative (ERI).

**Providing Further Support for the Central American Regional Strategy.** The Budget provides necessary resources to further support the U.S. Strategy for Engagement in Central America by investing in a long-term, comprehensive approach designed to address the root causes of migration of unaccompanied children and families from the region.

**Advancing the Rebalance to Asia and the Pacific.** The Budget supports the Administration's commitment to a comprehensive regional strategy in Asia and the Pacific that reinforces a rules-based order and advances security, prosperity, and human dignity across the region. For instance, the Budget provides the necessary resources to implement the Trans-Pacific Partnership (TPP) — a historic, high-standard trade agreement with 11 countries of the region that levels the playing field for American workers and American businesses.

**Growing Partnerships in Africa.** The Budget provides funding to ensure United States will uphold the commitments it made during the U.S.-Africa Leaders Summit in 2014, including with respect to Power Africa, Trade Africa, the Security Governance Initiative (SGI), the Young African Leaders Initiative (YALI), the African Peacekeeping Rapid Response Partnership (APRRP), and the Early Warning and Response Partnership (EWARP). It also provides resources for implementing the peace agreement in South Sudan.

**Preparing for the Future.** In addition to addressing today's changing security environment, the Budget makes significant investments to maintain our military's superiority and ensure the United States always has an operational advantage over any potential adversary. The Budget does this by driving smart and essential innovation: pursuing new research and technology development; supporting updates and refinements to operational concepts and warfighting strategies; supporting capacity building among local partners; building the Force of the Future; and pursuing additional enterprise reform.

**Sustaining the President’s Development and Democracy Agenda.** The Budget continues to advance the Administration’s development and democracy initiatives and activities as it seeks to reduce extreme poverty, encourage broad-based economic growth, and support democratic governance and human rights – and to drive progress toward meeting the global development vision and priorities adopted in the 2030 Agenda for Sustainable Development. This includes investments in Feed the Future, the President’s food security initiative; development programs that mobilize the private sector to deliver tangible results and advance U.S. interests; food aid and other humanitarian assistance programs; the First Lady’s Let Girls Learn Initiative; and effective global health programs, including for the President’s Malaria Initiative and the President’s Emergency Plan for AIDS Relief (PEPFAR).

**Honoring Our Commitment to Veterans.** The Budget ensures continued investment in the five pillars the President has outlined for supporting the Nation’s veterans: providing the resources and funding they deserve; ensuring high-quality and timely health care; getting veterans their earned benefits quickly and efficiently; ending veteran homelessness; and helping veterans and their families get good jobs, an education, and access to affordable housing. It also puts forward a proposal to fundamentally reform the broken appeals process for disability claims so that it can best serve our veterans.

## **A GOVERNMENT OF THE FUTURE**

The President is committed to driving lasting change in how Government works – change that makes a significant, tangible, and positive difference in the economy and the lives of the American people. Over the past seven years, the Administration has launched successful efforts to modernize and improve citizen-facing services, eliminate wasteful spending, reduce the Federal real property footprint, improve the use of evidence to improve program performance, and spur innovation in the private sector by opening to the public tens of thousands of Federal data sets and innovation assets at the national labs.

**Supporting the President’s Management Agenda.** The Budget includes investments to continue driving the President’s Management Agenda by improving the service we provide to the American public; leveraging the Federal Government’s buying power to bring more value and efficiency to how we use taxpayer dollars; opening Government data and research to the private sector to drive innovation and economic growth; promoting smarter information technology; modernizing permitting and environmental review processes; creating new Idea Labs to support employees with promising ideas; and, attracting and retaining the best talent in the Federal workforce.

**Supporting Digital Service Delivery for Citizens.** In 2014 the Administration piloted the U.S. Digital Service, a unit of innovators, entrepreneurs, and engineers. This team of America’s best digital experts has worked in collaboration with Federal agencies to implement streamlined and effective digital technology practices on the Nation’s highest priority programs. This work includes collaborating with the Department of Education to launch the new College Scorecard to give students, parents, and their advisors most reliable national data to help with college choice and supporting the U.S. Citizenship and Immigration Services (USCIS) transition to launch the

new myUSCIS which makes it easier for users to access information about the immigration process and immigration services. To institutionalize the dramatic improvements that this approach has demonstrated, the Budget supports the Administration's aggressive goal of hiring and placing 500 top technology and design experts to serve in the Government by January 2017.

**Strengthening Federal Cybersecurity.** As outlined above, the Budget provides \$19 billion in resources for cybersecurity. This includes the creation of a new \$3.1 billion revolving fund, the Information Technology Modernization Fund (ITMF), to retire the Government's antiquated IT systems and transition to more secure and efficient modern IT systems, funding to streamline governance and secure Federal networks, and investments to strengthen the cybersecurity workforce and cybersecurity education across society.

**Building Evidence and Encouraging Innovation.** The President has made it clear that policy decisions should be driven by evidence so that the Federal government can do more of what works and less of what does not. The Administration's evidence-based approaches have resulted in important gains in areas ranging from reducing veteran homelessness, to improving educational outcomes, to enhancing the effectiveness of international development programs. The Budget invests in expanding evidence-based approaches, developing and testing effective practices, and enhancing government's capacity to build and use evidence, in particular by expanding access to administrative data and further developing Federal, State, local, and tribal data infrastructure.

**Reorganizing Government to Succeed in the Global Economy.** The Budget also includes proposals to consolidate and reorganize Government agencies to make them leaner and more efficient, and it increases the use of evidence and evaluation to ensure that taxpayer dollars are spent wisely on programs that work.