

**U.S. Global Leadership Campaign**  
International Affairs Budget Update  
December 19, 2007

## **End-Game Results in 5% Increase for the FY08 International Affairs Budget**

With Senate approval of the FY08 Omnibus Appropriations bill last evening by a vote of 76 to 17, Congress is finally ending its months-long standoff with the President over the FY08 Budget. The FY08 Omnibus Appropriations measure provides \$473.5 billion in discretionary funding. The bill also provides \$11 billion in emergency funding as well as \$70 billion for the wars in Afghanistan and Iraq, which is expected to be approved by the House later today.

The Omnibus meets the President's \$933 billion discretionary budget ceiling, which forced Democratic leaders to further reduce domestic spending by another \$11 billion. To achieve this, the House and Senate Appropriations Committees approved different levels of spending reductions for each of the 11 appropriations bills.

### **FY08 International Affairs Budget**

House and Senate conferees approved a 4.2 percent overall reduction in base funding for the \$32.6 billion FY08 State, Foreign Operations bill, which makes up 95 percent of the International Affairs Budget. On average, the other appropriations bills were cut by 2.5 percent. This represents the largest base reduction in the Omnibus bill. Overall, the conferees approved \$34.31 billion in funding for the base FY08 International Affairs Budget, which represents:

- 5.2 percent increase or \$1.74 billion above the FY07 funding level;
- 6 percent decrease or \$2.18 billion less than the Administration's FY08 request; and
- 4.2 percent decrease or \$1.5 billion below levels approved by the House and Senate.

### **FY08 International Affairs Budget Emergency Funding**

Conferees used emergency funding as a strategy to restore cuts to the FY08 International Affairs Budget. The emergency spending provisions provide \$2.39 billion in additional Function 150 spending, representing the largest supplemental funding in percentage terms of any of the appropriations bills. Since it is emergency spending, it is not scored against the regular discretionary funding caps. It does, however, increase spending for the overall 150 account to \$36.7 billion. Congress is expected to consider further emergency supplemental requests for the 150 account next year.

So what does this mean for the FY08 International Affairs Budget? In summary, it is a mixed bag. While Congress approved a 5.2 percent or \$1.7 billion increase in the International Affairs Budget, it reduced the base spending for the 150 account making it more of a challenge to gain a significant increase for FY09.

### **Included in this Update:**

1. Highlights: FY08 International Affairs Budget
2. Notable Account Increases and Decreases
3. Snapshot: FY08 International Affairs Budget
4. 2008 Congressional Calendar

## 1. HIGHLIGHTS: FY08 INTERNATIONAL AFFAIRS BUDGET

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Despite the overall cuts, long-term bilateral development programs actually increased significantly in the Omnibus bill compared to FY07 levels. The combined total for Child Survival, Global HIV/AIDS, Development Assistance and the Democracy Fund of \$8.16 billion is virtually identical to levels approved in the House and Senate passed bills. These development accounts increased by 24 percent from FY07 levels and 21 percent from the FY08 Administration request. Compared to the FY08 request, these increases reflect Congressional support for key development programs by transferring ESF funds back to core development accounts.

Other accounts did not fare so well. Millennium Challenge Corporation funding, one of the President's new initiatives, received only \$1.54 billion or almost of half of the \$3 billion requested and \$200 million less than in FY07.

Other notable changes include:

- Withholding of aid to Egypt until the Secretary of State certifies that Egypt is making progress on key human rights reforms
- Denial of funds to be used for Iraqi assistance activities, except for Embassy operations, refugees and other targeted programs
- Conditions on aid to Pakistan
- Selected reductions for multilateral programs, including the World Bank's IDA replenishment and the Global Environmental Facility

Finally, in order to avoid a veto, the policy changes to the Mexico City Agreement were dropped in the Omnibus bill. The provision passed by both the House and Senate would have allowed the U.S. to distribute contraceptives to foreign organizations that are otherwise ineligible to receive American aid due to the Mexico City Policy.

[Click here for an account by account summary.](#)

## 2. NOTABLE ACCOUNT INCREASES AND DECREASES

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### NOTABLE ACCOUNT INCREASES

#### Global Health and Child Survival

FY08 Omnibus base	\$6.376 billion
FY08 Omnibus emergency	\$115 million
FY08 Request	+ \$777 million
FY07 Base	+ \$1.5 billion

Key Highlights:

- Omnibus combines Child Survival and Global HIV/AIDS into a single account
- Malaria: \$350 million across all accounts
- Tuberculosis: \$153 million across all accounts
- Avian Influenza: \$115 million across all accounts
- Reproductive Health: \$466 million across all accounts, \$141 million higher than the request

#### Development Assistance

FY08 Omnibus	\$1.624 billion
FY08 Request	+ \$583 million
FY07 Base	+ \$115 million

Key Highlights:

- Basic Education: \$694 million across all accounts

International Disaster and Famine Assistance

FY08 Omnibus base	\$320 million
FY08 Omnibus emergency	\$110 million
FY08 Request base	+ \$133 million
FY07 Base	+ \$69 million

USAID Operating Expenses

FY08 Omnibus base	\$630 million
FY08 Omnibus emergency	\$21 million
FY08 Request base	+ \$42 million
FY07 Base	+ \$24 million

Assistance for East Europe and the Baltic States

FY08 Omnibus	\$294 million
FY08 Request	+ \$5 million
FY07 Base	+ \$20 million

Assistance for the Independent States of the Former Soviet Union

FY08 Omnibus	\$396 million
FY08 Request	+ \$44 million
FY07 Base	- \$56 million

Migration and Refugee Assistance

FY08 Omnibus base	\$823 million
FY08 Omnibus emergency	\$200 million
FY08 Request base	+ \$249 million
FY07 Base	+ \$190 million

Peacekeeping Operations

FY08 Omnibus base	\$226 million
FY08 Omnibus emergency	\$35 million
FY08 Request base	+ \$40 million
FY07 Base	+ \$38 million

International Organizations and Programs

FY08 Omnibus	\$317 million
FY08 Request	+ \$28 million
FY07 Base	- \$9 million

Diplomatic and Consular Programs

FY08 Omnibus base	\$4.541 billion
FY08 Omnibus emergency	\$ 782 million
FY08 Request base	+ \$380 million
FY07 Base	+ \$985 million

Education and Cultural Exchanges

FY08 Omnibus	\$501 million
FY08 Request	+ \$15 million
FY07 Base	+ \$56 million

Contributions for International Peacekeeping Activities

FY08 Omnibus base	\$1.223 billion
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FY08 Omnibus emergency	\$ 464 million
FY08 Request base	+ \$580 million
FY07 Base	+ \$552 million

#### **NOTABLE ACCOUNT DECREASES**

##### Economic Support Fund

FY08 Omnibus base	\$2.432 billion
FY08 Omnibus emergency	\$543 million
FY08 Request base	- \$345 million
FY07 Base	+ \$520 million

##### Millennium Challenge Corporation

FY08 Omnibus	\$1.544 billion
FY08 Request	- \$1.456 billion
FY07 Base	- \$208 million

##### International Narcotics Control and Law Enforcement

FY08 Omnibus	\$554 million
FY08 Request	- \$81 million
FY07 Base	+ \$82 million

##### Andean Counter drug Initiative

FY08 Omnibus	\$354 million
FY08 Request	- \$118 million
FY07 Base	- \$397 million

##### Global Environment Facility

FY08 Omnibus	\$81 million
FY08 Request	- \$26 million
FY07 Base	+ \$2 million

##### International Development Association

FY08 Omnibus	\$942 million
FY08 Request	- \$118 million
FY07 Base	+ \$1 million

##### Embassy Security, Construction and Maintenance

FY08 Omnibus	\$1.425 billion
FY08 Request	- \$174 million
FY07 Base	- \$65 million

### 3. SNAPSHOT: FY08 INTERNATIONAL AFFAIRS BUDGET

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<b>FY08 INTERNATIONAL AFFAIRS BUDGET SNAPSHOT</b>	
<b>International Affairs 150 Account</b>	
FY 2007 Enacted base	\$ 32.6 billion
FY 2008 Request base	\$ 36.5 billion
FY 2008 House	\$ 35.8 billion
FY 2008 Senate	\$ 35.8 billion
FY 2008 Omnibus base	\$ 34.3 billion
Increase from FY 2007-2008	\$ 1.7 billion (5.2% increase)
FY 2008 Omnibus Emergency	\$ 2.4 billion
Increase from FY 2007-2008 with emergency	\$ 4.1 billion (12.6% increase)
<b>State &amp; Foreign Operations</b>	
FY 2007 Enacted base	\$ 31.2 billion
FY 2008 Request base	\$ 34.9 billion
FY 2008 House	\$ 34.2 billion
FY 2008 Senate	\$ 34.2 billion
FY 2008 Omnibus base	\$ 32.6 billion
Increase from FY 2007-2008	\$ 1.4 billion (4.5% increase)
FY 2008 Omnibus Emergency	\$ 2.4 billion
Increase from FY 2007-2008 with emergency	\$ 3.8 billion (12.2% increase)

### 4. 2008 CONGRESSIONAL CALENDAR

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The House and Senate will begin 2008 at different times this year. The Senate plans to return on January 22. The Senate leadership decided to push back their return a week, after the White House changed the date for the State of the Union address to January 28. The House still plans to return January 15 as previously announced.

#### 2008 Schedule at a glance

January 15 – House returns

January 22 – Senate returns

January 24 - 26 – House Republicans Retreat at the Greenbrier Resort, WV

January 28 – State of the Union Address

January 30 - February 1 – House Democrats Retreat in Williamsburg, VA

February 4 – FY09 Federal Budget Request Submitted to Congress