

Comparison of Senate and House FY14 State-Foreign Operations Bills

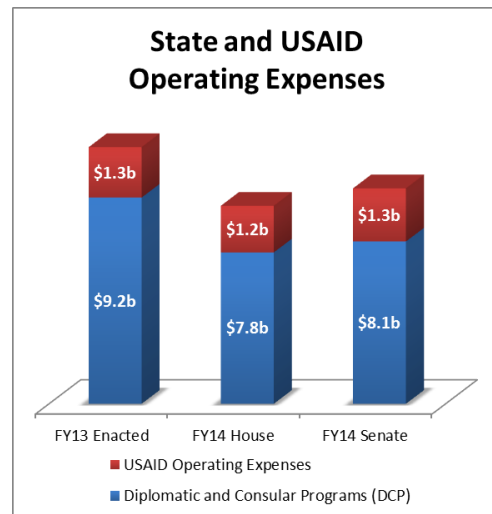
With a base allocation \$10 billion higher than the House, the Senate provides **\$50.6 billion** for State-Foreign Operations, including \$44.1 billion for base programs and \$6.5 billion for Overseas Contingency Operations (OCO). The Senate measure is roughly flat compared to post-sequestration FY13 levels and 2% below the President’s request. Overall, the Senate bill provides funds at or near the FY14 request for most accounts, but with significant increases for humanitarian programs and sharp reductions for agency operations and assistance in the Frontline States of Afghanistan, Pakistan, and Iraq.

In contrast, the **\$40.6 billion** House bill – \$34.1 billion for the base and \$6.5 billion for OCO – falls 19.9% below current post-sequestration spending and 21.4% under the President’s FY14 request. The House measure concentrates and prioritizes funds in three areas: diplomatic security, global health, and security assistance. For nearly all other accounts and activities, the House plan makes deep cuts, particularly for multilateral programs.

[Note: this analysis is based on information included in the Senate Subcommittee’s draft report on the bill and may be subject to minor changes due to a full Committee manager’s amendment.]

State Department and USAID Operating Expenses

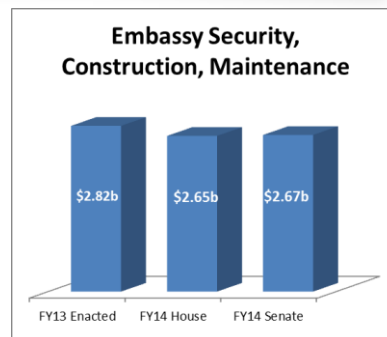
For State Department’s Diplomatic and Consular Programs (DCP) account, the Senate provides \$8.1 billion, about 4% below the request. Presumably, some of this cut would be applied to declining State Department operations in the Frontline States. While making modest reductions to State salaries, overseas programs, and policy activities, the Senate measure exceeds the Administration’s request for security programs within the DCP account by over 4% and includes full funding for the Benghazi Accountability Review Board’s recommendations. The Senate sets USAID operating expenses at \$1.35 billion, 5.5% higher than current levels but 3.5% less than the FY14 request. The Senate level fully funds *USAID Forward* reform efforts, including the hire of 22 staff to support procurement reform and the expanded Science and Technology office. Under these levels, State and USAID likely would not face staff furloughs in FY14, something each agency avoided in FY13 despite sequestration due to carry-over funds from prior years.



The House bill provides \$7.8 billion for DCP, 7.6% less than requested and 3.4% below the Senate. Like the Senate, the House fully funds the Worldwide Security Protection component of the account. For USAID, the House measure allocates \$1.18 billion, 15.4% less than the request. The House rejects USAID efforts to hire above attrition in FY14 and with such a steep operating cut, USAID could confront staff furloughs next year.

Embassy Security, Construction, and Maintenance

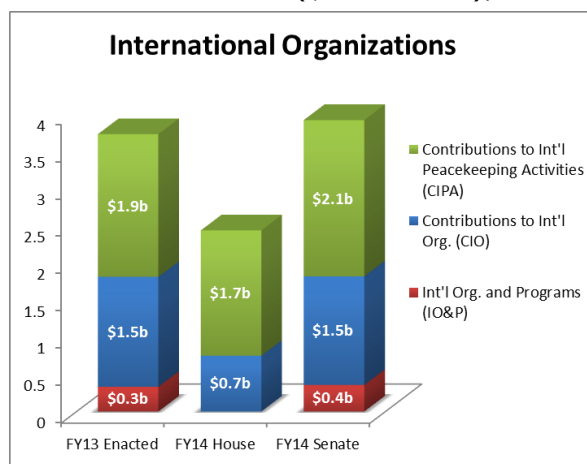
For the account where most diplomatic security resources are managed, the Senate provides a small increase to the \$2.65 billion request. The House measure includes the full President’s request.



Contributions to International Organizations and UN Peacekeeping

For U.S. assessed and voluntary contributions to the United Nations and other international organizations, the Senate measure supports most of the Administration’s request. The Senate fully funds U.S. payments to UN peacekeeping operations and increases voluntary contributions by 11%, proposing additional contributions to UNICEF (\$132 million), UNDP (\$81.5 million), the UN Population Fund (\$39.5 million) and several over organizations. The Senate bill does not fund the \$106 million contribution to UNESCO.

In sharp contrast, the House measure makes very deep cuts in each of these multilateral accounts. Assessed contributions to international organizations are reduced by half compared with current funding while U.N peacekeeping operations resources would fall by 12%. The House provides no funding for voluntary payments, including those for UNICEF and UNDP.



Global Health

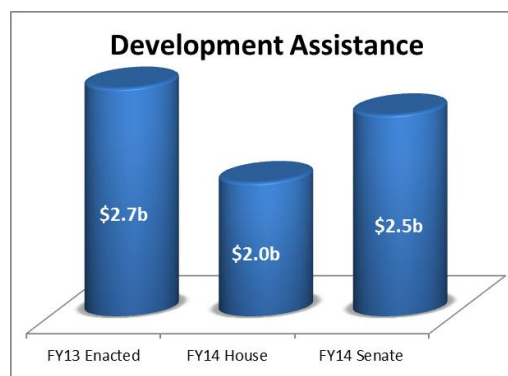
For State Department and USAID global health programs, the Senate includes \$8.46 billion, about 2% more than the FY14 request. While supporting the full request for HIV/AIDS, the Global Fund, and GAVI, the Senate increases proposed levels for all other health sectors except nutrition and malaria. The House measure also prioritizes global health programs, providing \$8.175 billion, or 1.7% below the request. The largest difference between the Senate and House bills is family planning/reproductive health programs. The Senate includes \$670 million, adding to the President’s request, while the House cuts funds to \$461 million (the amount provided in FY08) and prohibits contributions to the UN Population Fund (UNFPA).

Global Health Programs

	FY14 Request	FY14 House	FY14 Senate
TOTAL	\$8.315 b	\$8.175 b	\$8.455 b
Bilateral HIV/AIDS	\$4.350 b	\$4.350 b	\$4.350 b
Global Fund for AIDS, TB, Malaria	\$1.65 b	\$1.65 b	\$1.65 b
Maternal and Child Health	\$680 m	\$680 m	\$706 m
<i>of which GAVI</i>	\$175 m	\$175 m	\$175 m
<i>of which Polio (all accounts)</i>	\$36 m	\$48 m	\$61 m
Malaria	\$670 m	\$650 m	\$667 m
Tuberculosis (TB)	\$191 m	\$236 m	\$225 m
Nutrition	\$95 m	\$100 m	\$95 m
Pandemic Influenza	\$47 m	N/A	\$75 m
Neglected Tropical Diseases	\$85 m	N/A	\$100 m
Vulnerable Children	\$13 m	\$17.5 m	\$22 m
Family Planning (all accounts)	\$635 m	\$461 m	\$670 m

Development Assistance

The Senate bill includes \$2.5 billion for the Development Assistance account, about 7% less than the current sequestered funding. Development Assistance funding, together with some amounts from the Economic Support Fund, support USAID’s development sector activities. As can be seen in the table below, the Senate recommendation fully funds the request for basic and higher education and trafficking in persons and provides substantial increases for the environment, microenterprise, and water programs.



The Senate, however, cuts the request for the President’s **Feed the Future** initiative by \$91 million (7.6%). The Committee’s \$1.1 billion allocation includes both bilateral Feed the Future country programs and funds for the multilateral Global Agriculture and Food Security Program (GAFSP). While fully funding GAFSP at \$135 million, the Senate falls 8.6% below the requested bilateral portion of Feed the Future.

For development sectors not receiving a Senate directive, it is likely that increases above the request for the environment, microenterprise, and water will squeeze resources available for these other activities.

The House recommendation presents a far more difficult challenge for USAID to fund its Development Assistance priorities. The \$2 billion allocation falls 26% below current levels. Moreover, the increases recommended for basic education, biodiversity, microenterprise, and water will also squeeze funding for other development sectors. **Feed the Future** would face substantial reductions under the House plan.

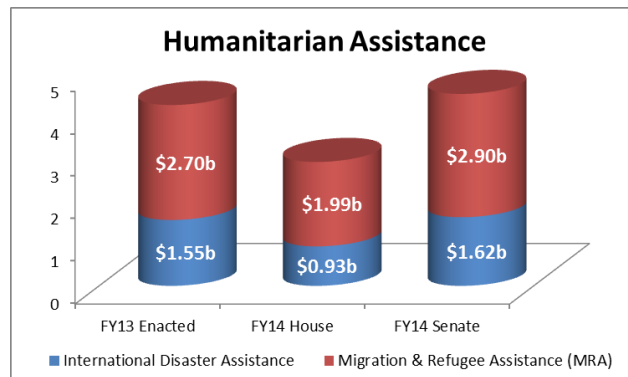
Development Sectors (across all accounts)

Development Sector	FY14 Request	FY14 House	FY14 Senate
Basic Education	\$501.4 m	\$800 m	\$501.5 m
Higher Education	\$221.9 m	N/A	\$225 m
Environment	\$1.048 b	N/A	\$1.153 b
<i>of which Biodiversity</i>	<i>\$119.4</i>	<i>\$200 m</i>	<i>\$225 m</i>
Feed the Future (includes GAFSP funds)	\$1.191 b	N/A	\$1.100 b
Microenterprise	\$173 m	\$265 m	\$250 m
Trafficking in Persons	\$43.7 m	\$44 m	\$43.7 m
Water and Sanitation	\$230.7 m	\$315 m	\$405 m

Humanitarian Assistance

The United States responds to international emergency relief efforts largely with resources provided in two State-Foreign Operations accounts: USAID’s International Disaster Assistance (IDA) and State’s Migration and Refugee Assistance (MRA) accounts. The Senate, as it has done for the past several years, significantly increases the request for each of these accounts, providing \$1.62 billion for IDA and \$2.9 billion for MRA. Combined, these amounts remain about 5% below FY13 post-sequestration levels because Congress added substantial amounts for these accounts in the final FY13 Continuing Resolution to address the growing crisis in Syria and elsewhere. Nevertheless, the Senate IDA and MRA amounts are 68% higher than requested for FY14.

The House measure includes \$929 million for IDA and \$1.985 billion for MRA, significantly below Senate levels but 8.5% above the Administration’s request. (The IDA request level has been adjusted to remove funds proposed in the request as part of the food aid reform recommendation. Those amounts were addressed in the Agriculture Appropriations measure.)



Military and other security assistance

The State-Foreign Operations spending measure includes a series of security assistance accounts within title IV of the bill. In addition, two related security accounts fall within title III: the Economic Support Fund and the Middle East and North Africa Incentive Fund (MENA-IF). The Senate bill broadly provides full funding for security assistance programs, with a 14% increase in the non-proliferation and anti-terrorism account to support larger humanitarian demining and non-proliferation programs. The Senate makes some reductions for ESF and the narcotics and law enforcement accounts, both of which could be accommodated by Committee-directed cuts for the Frontline States. While the Senate rejects the Administration’s plan for a **Middle East North Africa Incentive Fund**, it adds a new account – the **Complex Foreign Crisis Fund** – that would serve many of the same

purposes, including peacekeeping operations in Mali and humanitarian relief for Syria. Within the Foreign Military Financing account, **Israel and Jordan** are fully funded at the request level. For **Egypt**, the Senate bill allows “up to” \$1.5 billion, funds that would be provided through a series of tranches with each subject to a certification from the Secretary of State.

The House also fully funds most security assistance accounts, although no appropriations are provided for the **MENA-IF** recommendation. The House Committee, however, proposes a sharp (47%) reduction for ESF. While supporting ESF requests for Jordan, Mexico, and Colombia, the House measure calls on the Administration to allocate what funds remain to priority countries of strategic interest to the U.S. Like the Senate, the House provides full funding for **Israel and Jordan**. **Egypt** receives \$1.3 billion in military assistance, subject to certain conditions.

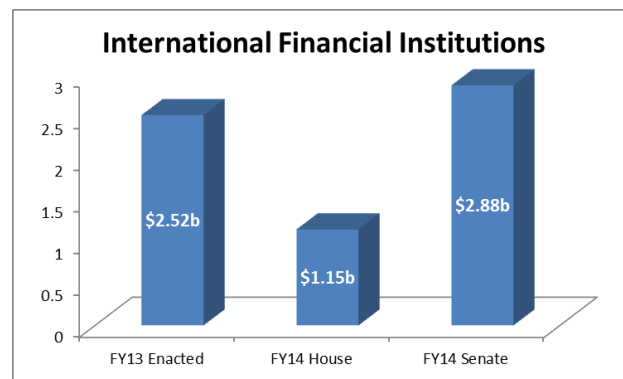
Security Assistance

	FY14 Request	FY14 House	FY14 Senate
Economic Support Fund	\$5.458 b	\$2.909 b	\$4.492 b
MENA-IF	\$580 m	\$0 m	\$0 m
Complex Foreign Crisis Fund	\$0 m	N/A	\$575 m
Int’l Narcotics & Law Enforcement	\$1.474 b	\$1.474 b	\$1.132 b
Non-Proliferation, Anti-Terrorism	\$616 m	\$617 m	\$700 m
Peacekeeping Operations	\$347 m	\$422 m	\$390 m
Int’l Military Education & Training	\$106 m	\$106 m	\$105 m
Foreign Military Financing	\$5.957 b	\$5.907 b	\$5.865 b

International Financial Institutions

The United States contributes to about twelve international financial institutions through multi-year pledges, portions of which are funded annually in the State-Foreign Operations spending bill. The Senate fully funds the Administration’s request for each of these institutions in FY14.

The House bill, however, significantly cuts funding for three organizations and provides nothing for nine others. At these levels, U.S. arrears to the institutions would jump from a Treasury Department estimate at the end of FY12 of \$1.2 billion to nearly \$3 billion, representing the largest U.S. deficit ever. The House measure allows the Administration to



transfer Development Assistance and ESF funds to fill gaps for the non-funded international financial institutions. But with those bilateral accounts already cut so deeply, transferring funds most likely is not an option the Administration could use.

International Financial Institutions

	FY14 Request	FY14 House	FY14 Senate
TOTAL	\$2.876 b	\$1.152 b	\$3.186 b
World Bank - IBRD	\$187 m	\$0	\$187 m
World Bank - IDA	\$1.358 b	\$942 m	\$1.358 b
Global Environment Facility	\$144 m	\$0	\$144 m
Strategic Climate Fund	\$68 m	\$0	\$68 m
Clean Technology Fund	\$216 m	\$0	\$216 m
Asian Development Bank	\$107 m	\$0	\$107 m
Asian Development Fund	\$115 m	\$75 m	\$115 m
African Development Bank	\$32 m	\$0	\$32 m
African Development Fund	\$195 m	\$135 m	\$195 m
Inter-American Development Bank	\$108 m	\$0	\$108 m
Debt Relief	\$175 m	\$0	\$175 m
International Fund for Agricultural Development	\$30 m	\$0	\$30 m
Global Agriculture and Food Security Program	\$135 m	\$0	\$135 m
IMF Quota Increase	\$0	\$0	\$315 m

FY14 International Affairs Budget Account Summary

(\$ in millions)	FY13 Total (post- Sequestration)	FY14 Total House	FY14 Total Senate	FY14 Total Senate v. House
INTERNATIONAL AFFAIRS BUDGET	52,239	41,915	52,160	+ 19.6%
<i>Overseas Contingency Operations (OCO) portion</i>	10,662	6,522	6,516	
STATE DEPARTMENT OPERATIONS	17,125	14,500	16,154	+ 10.2%
<i>OCO portion</i>	4,425	2,602	1,736	
Diplomatic & Consular Programs	9,190	7,838	8,115	3.4%
<i>OCO portion</i>	2,968	2,172	1,025	
Capital Investment Fund	56	77	77	0.0%
Conflict Stabilization Operations (FY13 by transfer)	31	0	9	100%
<i>OCO portion</i>	9	0	9	
State Department Office of the Inspector General	115	119	119	0.0%
<i>OCO portion</i>	56	60	50	
Educational and Cultural Exchange Programs	569	452	604	25.2%
<i>OCO portion</i>	15	13	9	
Embassy Security, Construction & Maintenance	2,820	2,649	2,665	0.6%
<i>OCO portion</i>	1,270	250	559	
Other Administration of Foreign Affairs	63	63	78	19.2%
Contributions to International Organizations	1,473	746	1,456	48.8%
<i>OCO portion</i>	96	74	74	
Contributions for International Peacekeeping Activities	1,913	1,681	2,095	19.8%
International Broadcasting Operations	706	725	721	-0.6%
<i>OCO portion</i>	4	33	4	
Broadcasting Capital Improvements	7	7	8	12.5%
Asia Foundation	16	13	17	23.5%
East-West Center	16	0	17	100.0%
National Endowment for Democracy	112	118	135	12.6%
United States Institute for Peace	37	11	37	70.3%
<i>OCO portion</i>	8	11	6	
Other State Department Operations	2	1	1	0.0%
FOREIGN OPERATIONS	33,498	26,004	34,271	+ 24.1%
<i>OCO portion</i>	6,237	3,920	4,780	
USAID Operating Expenses (OE)	1,279	1,184	1,349	12.2%
<i>OCO portion</i>	242	241	65	
USAID Capital Investment Fund	123	118	118	0.0%

USAID Inspector General Operating Expenses (IG) <i>OCO portion</i>	48 4	54 10	52 5	-3.8%
Global Health Programs	8,062	8,175	8,455	3.3%
Development Assistance (DA)	2,707	2,000	2,507	20.2%
International Disaster Assistance <i>OCO portion</i>	1,550 751	929 156	1,615 1,005	42.5%
Emergency Food Assistance Contingency Fund	0	0	0	0.0%
Transition Initiatives (TI) <i>OCO portion</i>	54 6	58 14	58 5	0.0%
Complex Crisis Fund <i>OCO portion</i>	38 28	0 0	0 0	0.0%
Development Credit Authority (DCA)	8	8	8	0.0%
Economic Support Fund (ESF) <i>OCO portion</i>	5,583 3,009	2,909 1,541	4,492 901	35.2%
Democracy Fund	109	112	131	14.5%
Migration and Refugee Assistance (MRA) <i>OCO portion</i>	2,704 1,114	1,985 721	2,900 1,513	31.6%
U.S. Emergency Refugee & Migration Assistance (ERMA)	26	26	50	48.0%
Middle East and North Africa Incentive Fund <i>OCO portion</i>	0 0	0 0	575 535	100.0%
Peace Corps	356	355	385	7.8%
Millennium Challenge Corporation	853	702	899	21.9%
Inter-American Foundation	22	14	23	39.1%
African Development Foundation	28	10	30	66.7%
Treasury Technical Assistance <i>OCO portion</i>	26 2	24 0	24 0	0.0%
Debt Restructuring	11	0	0	0.0%
International Narcotics Control & Law Enforcement (INCLE) <i>OCO portion</i>	1,942 934	1,474 555	1,132 107	-30.2%
Nonproliferation, Anti-Terrorism, Demining (NADR) <i>OCO portion</i>	675 115	617 115	700 0	11.9%
Peacekeeping Operations (PKO) <i>OCO portion</i>	365 77	422 136	390 139	-8.2%
International Military Education & Training (IMET)	101	106	105	-1.0%
Foreign Military Financing (FMF) <i>OCO portion</i>	6,011 1,065	5,907 811	5,865 500	-0.7%
Global Security Contingency Fund	21	0	0	0.0%
Pakistan Counterinsurgency Capability Fund <i>OCO portion</i>	0	-380 -380	0	N/A
International Organizations & Programs (IO&P)	331	0	355	100.0%

Global Environment Facility	129	0	144	100.0%
World Bank - IBRD	177	0	187	100.0%
International Development Association (IDA)	1,351	942	1,359	30.7%
IDA - Multilateral Debt Relief Initiative	0	0	145	100.0%
International Clean Technology Fund	176	0	216	100.0%
International Strategic Climate Fund	47	0	68	100.0%
Global Agriculture and Food Security Program	128	0	135	100.0%
Inter-American Development Bank	107	0	102	100.0%
Inter-American Investment Corporation	5	0	0	0.0%
Enterprise for the Americas Multilateral Investment Fund	14	0	6	100.0%
Asian Development Bank	102	0	107	100.0%
Asian Development Fund	95	75	115	34.8%
African Development Bank	30	0	32	100.0%
African Development Fund	164	135	195	30.8%
African Development Fund - Mult Debt Relief Initiative	0	0	30	100.0%
International Fund for Agricultural Development	28	0	30	100.0%
Middle East and North Africa Fund <i>OCO portion</i>	0 0	0 0	5 5	100.0%
IMF quota increase	0	0	315	100.0%
IMF rescission	0	0	-1,200	100.0%
Export-Import Bank of the United States (net)	-354	-985	-960	-2.6%
Overseas Private Investment Corporation (net)	-237	-246	-220	-11.8%
Trade and Development Agency (TDA)	47	47	63	25.4%
Rescissions & across-the-board cut <i>OCO portion</i>	-1,510 -1,110	-773 0	-21 0	-3581.0%
AGRICULTURE PROGRAMS	1,535	1,330	1,651	+ 19.4%
P.L. 480 Title II	1,361	1,150	1,466	21.6%
McGovern-Dole International Food for Education	175	180	185	2.7%
OTHER APPROPRIATIONS	81	81	87	+ 6.9%
International Trade Commission	79	79	85	7.1%
Foreign Claims Settlement Commission	2	2	2	0%