



Congress Once Again Rejects Administration's Proposal to Slash the International Affairs Budget

USGLC Comparison of House and Senate Funding
Levels for the FY19 International Affairs Budget

June 29, 2018

Executive Summary

In February 2018, the USGLC released an analysis on the Administration’s “Groundhog Budget”, which for the second year in a row proposed to dangerously slash the International Affairs Budget. Fast forward to June—just a few months into the appropriations process on Capitol Hill—and a much brighter picture has emerged thanks to the strong bipartisan support for development and diplomacy programs among Members of Congress.

The House and Senate Appropriations Committees approved topline funding levels (known as 302(b) allocations) that help ensure our nation’s civilian tools can deliver results for the American people. The Senate approved a modest increase (0.7%) for the total FY19 International Affairs Budget compared to current levels. Funding in the House is down just slightly (0.4%), largely due to a cut to Food for Peace (PL 480, Title II).

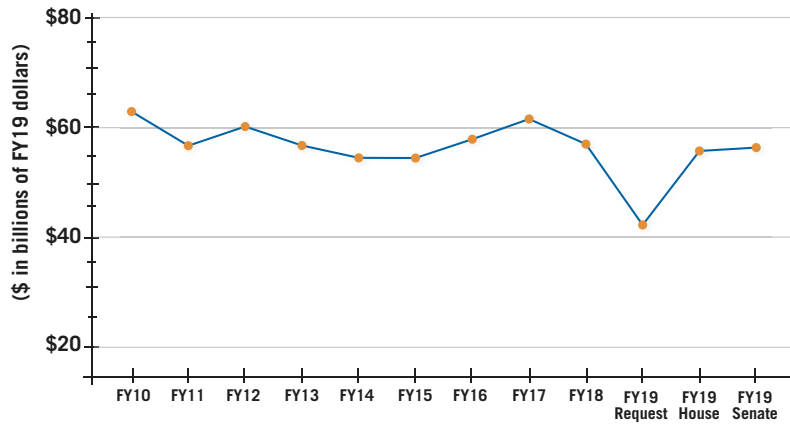
While down from the high-water mark of FY17, these topline funding levels are significant when you consider that the bipartisan budget deal approved by Congress earlier this year allowed only for limited additional resources in FY19, and included a \$4 billion cut to Overseas Contingency Operations (OCO) funding for the International Affairs Budget.

Compared to the Administration’s request, the House and Senate generally provide more funding for the various agencies and accounts funded through the International Affairs Budget. Both bills provide more funding for global health, humanitarian assistance, economic and development assistance, UN Peacekeeping, Diplomatic and Embassy Security, International Financial Institutions, and USAID operating expenses. They also generally reject the Administration’s proposals to eliminate a number of smaller international affairs agencies.

USGLC applauds Congress for rejecting the Administration’s proposed deep cuts to the International Affairs Budget in FY19 and for its strong, bipartisan support for America’s development and diplomacy programs. As work begins to finalize FY19 spending bills, USGLC urges Congress to agree to—at a minimum—the Senate funding level for the FY19 International Affairs Budget, which moves closer to providing the resources needed to address today’s growing global threats.

A full analysis of the similarities and differences between the Administration’s request, the House proposal, and the Senate proposal follows.

TOTAL INTERNATIONAL AFFAIRS BUDGET FUNDING
FY10 to FY19



International Affairs Budget Snapshot

	FY18 Enacted	FY19 Request*	FY19 House	FY19 Senate
Base	\$43.9 billion	\$42.2 billion	\$47.7 billion	\$48.3 billion
OCO	\$12.0 billion	\$0	\$8.0 billion	\$8.0 billion
Total	\$55.9 billion	\$42.2 billion	\$55.7 billion	\$56.3 billion

*Based on CBO’s re-estimate of the Administration’s request

I. Comparison of Key Accounts

The House and Senate prioritized many of the same areas but differed on some issues, including international security assistance, humanitarian aid, global health—in particular family planning—and international organizations.

FY19 House & Senate Comparison

Similarities	Differences
<ul style="list-style-type: none"> ▪ Central America Strategy: The House and Senate cut funding for the U.S. Strategy for Engagement in Central America compared to FY18 levels—by \$20 million and \$100 million respectively. ▪ UN Peacekeeping: Both the House and the Senate increase funding compared to FY18 levels—the House by \$207 million and the Senate by \$302 million. ▪ Opioids: The House and Senate increase counter-narcotics funding by \$66 million and \$36 million compared to current levels to help stop the flow of opioids. ▪ Contributions to International Financial Institutions: Both the House and Senate hold funding essentially flat at FY18 levels. ▪ State Department Operations: The House and Senate both increase funding for diplomatic operations above current levels—by \$77 million and \$200 million respectively. ▪ Non-UN Peacekeeping: Both chambers cut funding for non-UN Peacekeeping compared to FY18 levels. ▪ Development and Economic Assistance: The House and Senate generally maintain FY18 funding levels for development and economic assistance. ▪ National Endowment for Democracy: The House and Senate maintain funding at current levels. 	<ul style="list-style-type: none"> ▪ International Security Assistance: The House provides \$485 million more for security assistance than the Senate, primarily for Foreign Military Financing (FMF). ▪ Economic Support Fund: The Senate provides \$325 million more than the House for ESF. ▪ Global Health: The House holds funding flat compared to current levels, while the Senate provides a \$102 million increase. ▪ International Organizations: The Senate provides \$98 million more than the House for voluntary contributions and \$84 million more for assessed contributions to international organizations. ▪ Humanitarian Assistance: The Senate provides \$173 million more in funding than the House for disaster and refugee assistance. ▪ Family Planning: The Senate provides \$633 million for family planning programs, a slight increase from FY18 levels, while the House includes \$461 million. ▪ USAID Operating Expenses: The Senate includes \$109 million more than current levels, while the House maintains flat funding. ▪ Food for Peace: The Senate maintains FY18 funding levels for Food for Peace (PL 480, Title II). The House cuts the program by \$216 million compared to current levels.

II. Notable Program and Policy Issues

Reform and Congressional Oversight

In its FY19 request, the Administration proposed creating a new Development Finance Institution (DFI) that would consolidate several development finance functions, including the Overseas Private Investment Corporation (OPIC) and the Development Credit Agency (DCA). While they did not include funding for the DFI in their FY19 bills, the House and Senate Appropriations Committees did indicate a willingness to consider funding it if Congress passes authorizing legislation. Of note, legislation ([H.R.5105/S.2463](#)) to do just that is working its way through both chambers. USGLC released a [statement](#) applauding this bipartisan effort to strengthen America's development finance tools.

Additionally, in response to the Administration's work to reorganize development and diplomacy agencies and programs, Congress once again set strict guidelines that ensure strong Congressional oversight. The Senate goes a step further than last year by including stricter requirements and some limitations with respect to the reorganization. Specifically it:

- Prohibits the use of appropriated funds to implement a reorganization plan unless the State Department submits a comprehensive cost analysis and specific implementation plan for such reorganization to Congress at least 60 days in advance.
- Explicitly prohibits the use of appropriated funds to implement a reorganization without prior consultation "by the head of such department, agency, or organization" with Congress.
- Prohibits appropriated funds from being used to "downsize, downgrade, consolidate, close, move, or relocate" the State Department's Bureau of Population, Refugees, and Migration (PRM) and requires that all funds appropriated for Migration and Refugee Assistance be administered by PRM.
- Outlines specific end-strength levels for State Department and USAID career and non-career personnel, noting that "the hiring freeze implemented in January 2017 and maintained until recently was never justified to the Committee and resulted in a significant personnel reduction below previously justified and funded levels."

Notably, the Senate expresses concern about the "slower than usual obligation and disbursement" of previously appropriated funds and once again includes language reminding the Administration that the management and expenditure of appropriated funds must be consistent with the Congressional Budget and Impoundment Control Act of 1974 and the intent of Congress.

Global Health

Both the House and Senate protect funding for Global Health compared to the Administration's request. The Administration's budget included \$6.7 billion for these programs, a \$2 billion (23%) cut compared to FY18 levels. The House provides \$8.69 billion, the same as FY18 enacted levels, while the Senate provides \$8.79 billion—a \$102 million (1.2%) increase.

As PEPFAR marks its 15th anniversary, the House holds funding for bilateral HIV/AIDS programs flat while the Senate includes a \$50 million increase, with \$45 million of that increase allocated to the Joint UN HIV/AIDS program. Both the House and Senate maintain funding for the U.S. contribution to

the Global Fund at FY18 levels. The House and Senate also maintain funding for polio eradication and Gavi, the Vaccine Alliance, at their FY18 levels—\$59 million and \$290 million respectively.

The House provides a total of \$173 million for Global Health Security, which includes \$100 million in new funding and \$73 million that comes from unobligated Ebola balances. The redirected Ebola funding is split between \$48 million to improve the capacity of targeted countries to respond to outbreaks and \$25 million for an Emergency Reserve Fund to help the U.S. and other countries react quickly to emerging health threats. The Senate includes a total of \$100 million for Global Health Security, split between \$73 million in new funding and \$27 million from unobligated Ebola balances. The Senate directs this unused Ebola funding to help build target countries’ capacities to prevent, detect, and respond to outbreaks.

After proposing to eliminate family planning funding last year, the Administration proposed approximately \$300 million in funding in FY19 along with an expansion of the Mexico City Policy or Global Gag Rule. As in previous years, the House and Senate also took different tracks on family planning funding and policy:

- The House adopts the Administration’s expanded Mexico City Policy, or Global Gag Rule, and limits overall family planning funding to \$461 million. The legislation also prohibits funding for the UN Population Fund (UNFPA).
- The Senate does not include the expanded Mexico City Policy and provides \$633 million for family planning, including \$38 million for UNFPA.

Global Health*	FY17 Final	FY18 Enacted	FY19 Request	FY19 House	FY19 Senate
Bilateral PEPFAR	\$4.32 billion	\$4.32 billion	\$3.85 billion	\$4.32 billion	\$4.37 billion
Global Fund	\$1.35 billion	\$1.35 billion	\$925 million	\$1.35 billion	\$1.35 billion
USAID HIV/AIDS	\$330 million	\$330 million	\$0	\$330 million	\$330 million
Malaria	\$755 million	\$755 million	\$674 million	\$755 million	\$755 million
Tuberculosis	\$241 million	\$261 million	\$178 million	\$302 million	\$275 million
Maternal/Child Health	\$815 million	\$830 million	\$620 million	\$845 million	\$830 million
Vulnerable Children	\$23 million	\$23 million	\$0	\$23 million	\$25 million
Nutrition	\$125 million	\$125 million	\$79 million	\$145 million	\$135 million
Family Planning	\$608 million	\$608 million	\$302 million	\$461 million	\$633 million
NTDs	\$100 million	\$100 million	\$75 million	N/A	\$106 million
Global Health Security	\$143 million	\$73 million	\$0	\$100 million	\$73 million
Total	\$8.73 billion	\$8.69 billion	\$6.7 billion	\$8.69 billion	\$8.79 billion

**State Department and USAID Global Health accounts only, except for family planning.*

Development and Economic Assistance

For the second year in a row, the Administration’s request included a deep cut to economic and development assistance and proposed consolidating several major accounts to create a new **Economic Support and Development Fund** (ESDF). Congress once again rejected both the proposed funding cuts and the consolidation of accounts.

With the exception of the House’s \$272 million (7%) cut to the **Economic Support Fund** (ESF), both chambers either held flat or increased funding for the major development and economic assistance accounts. The House and Senate generally maintained funding for **Development Assistance** (DA), the **Millennium Challenge Corporation** (MCC), and the **Peace Corps** at their FY18 levels and increased the **Democracy Fund** by \$10 million (4%). The House holds funding for **Assistance to Europe, Eurasia and Central Asia** (AEECA) flat at FY18 levels, while the Senate provides a \$20 million (3%) increase.

Development and Economic Assistance	FY17 Final	FY18 Enacted	FY19 Request	FY19 House	FY19 Senate
ESDF	\$0	\$0	\$5.06 billion	\$0	\$0
DA	\$3 billion	\$3 billion	\$0	\$3 billion	\$3 billion
MCC	\$905 million	\$905 million	\$800 million	\$905 million	\$905 million
Peace Corps	\$410 million	\$410 million	\$396 million	\$411 million	\$410 million
USAID OE	\$1.36 billion	\$1.35 billion	\$1.12 billion	\$1.35 billion	\$1.46 billion
ESF	\$4.68 billion	\$3.97 billion	\$0	\$3.7 billion	\$4.02 billion
AEECA	\$902 million	\$750 million	\$0	\$750 million	\$770 million
Democracy Fund	\$211 million	\$216 million	\$0	\$225 million	\$225 million

Humanitarian Assistance

At a time of unprecedented humanitarian crises, Congress unequivocally rejects the Administration’s proposed \$1.3 billion (17%) cut to humanitarian assistance. The House essentially maintains funding for humanitarian assistance at FY18 levels, while the Senate increases funding for **Migration and Refugee Assistance** (MRA) by \$73 million (2%) and **International Disaster Assistance** (IDA) by \$100 million (2%).

Humanitarian Assistance	FY17 Final	FY18 Enacted	FY19 Request	FY19 House	FY19 Senate
Disaster Aid (IDA)	\$4.43 billion	\$4.29 billion	\$3.56 billion	\$4.29 billion	\$4.39 billion
Refugees (MRA)	\$3.36 billion	\$3.36 billion	\$2.8 billion	\$3.36 billion	\$3.43 billion
Emergency Refugees	\$50 million	\$1 million	\$0	\$0	\$1 million
Total	\$7.84 billion	\$7.65 billion	\$6.36 billion	\$7.65 billion	\$7.82 billion

Peacekeeping

Both the House and Senate increase funding for **UN peacekeeping** significantly compared to the Administration’s request, which proposed to cut funding by \$186 million (13%). The House boosts funding for UN peacekeeping by \$207 million (15%) and the Senate by \$302 million (22%). Consistent with the Administration’s request this year and last, however, both chambers limit assessed contributions for UN peacekeeping to the 25% statutory cap, below the negotiated rate of 28%. The House and Senate also express support for the Administration’s efforts to reduce the U.S. assessment rate and curtail the number and duration of peacekeeping missions. With the statutory cap enforced, the U.S. will continue to accumulate arrears—potentially undermining UN peacekeeping missions currently being carried out in 13 countries.

Both the House and Senate cut funding for **non-UN peacekeeping** compared to FY18 levels. The House includes a \$48 million (9%) reduction, and the Senate a \$61 million (11%) cut to these programs. These cuts are substantially less than the \$247 million (46%) reduction to non-UN peacekeeping that the Administration proposed, however.

Peacekeeping	FY17 Final	FY18 Enacted	FY19 Request	FY19 House	FY19 Senate
UN Operations (CIPA)	\$1.91 billion	\$1.38 billion	\$1.2 billion	\$1.59 billion	\$1.68 billion
Non-UN Operations (PKO)	\$659 million	\$538 million	\$291 million	\$490 million	\$477 million
Total	\$2.57 billion	\$1.92 billion	\$1.49 billion	\$2.08 billion	\$2.16 billion

International Security Assistance

Both the House and Senate proposals include far more funding for international security assistance than the Administration’s request, which recommended a \$1.7 billion (19%) cut compared to FY18. The House includes \$9.3 billion for these programs, \$249 million (3%) above current levels, while the Senate provides \$8.8 billion—a \$236 million (3%) cut. Of note:

- **International Narcotics Control and Law Enforcement (INCLE):** Both the House and Senate increase funding for these programs compared to FY18—the House by \$66 million (5%) and the Senate by \$36 million (3%).
- **Foreign Military Financing (FMF):** The House provides a \$230 million (4%) increase, while the Senate reduces funding by \$196 million (3%) below current levels. Both chambers reject the Administration’s proposal to transition FMF assistance from grants to loans.
- **Nonproliferation, Anti-Terrorism, Demining, and Related Programs (NADR):** The House holds funding flat compared to FY18 levels, while the Senate includes a modest \$15 million (2%) cut.
- **International Military Education and Training (IMET):** Both chambers maintain funding at the FY18 level of \$111 million.

Multilateral Assistance and International Organizations

Both the House and Senate maintain funding for U.S. contributions to International Financial Institutions (IFIs) at essentially the FY18 level of \$1.52 billion, rejecting the Administration's proposed \$101 million (7%) cut. Consistent with the Administration's request, however, both the House and Senate eliminate funding for the Green Climate Fund.

The Administration again proposed to eliminate funding for the **International Organizations and Programs** (IO&P) account, which is the source of U.S. voluntary contributions to UN-affiliated and other international entities. The House, which has in the past recommended eliminating funding for this account, provides \$214 million for IO&P—a \$125 million (37%) cut compared to FY18 levels but a significant departure from previous years. By contrast, the Senate includes \$359 million for the account, representing a modest 6% increase.

The House and Senate also cut funding for U.S. assessed contributions to the UN and other international organizations, but to a lesser extent than the Administration had proposed. The House cuts the **Contributions to International Organizations** (CIO) account by \$103 million (7%) compared to FY18 levels. The Senate cuts this account by a more modest \$19 million (1%). For comparison, the Administration requested a \$372 million (25%) cut to the CIO account.

Diplomatic Operations and Embassy Construction

The House holds overall funding for diplomatic and embassy security at \$6.1 billion, equal to current levels, while the Senate cuts funding for these programs by \$337 million (6%). Even with this reduction, however, the Senate's funding level is well above the Administration's request, which included a \$716 million (12%) cut to diplomatic and embassy security programs.

Both the House and Senate provide modest increases in funding for **Diplomatic and Consular Programs** (D&CP), through which most State Department operational costs are covered. The House includes \$8.8 billion for these programs, a \$77 million (1%) increase compared to FY18 levels, while the Senate sets out \$8.92 billion, a \$200 million (2%) increase. The Administration had requested \$8.11 billion for the D&CP account, a \$607 million (7%) cut from current levels.

Consistent with the levels recommended by the Benghazi Accountability Review Board, the House provides \$2.3 billion for **Embassy Security Construction and Maintenance** (ESCM), the same as FY18 levels, while the Senate includes \$1.9 billion, a \$398 million (17%) cut. The Administration proposed \$1.66 billion for ESCM, a deeper \$658 million (28%) cut.

Agencies Slated for Elimination

The Senate rejects the Administration's proposal to eliminate five agencies, while the House rejects all but one of these proposed eliminations.

- **U.S. Trade and Development Agency** (USTDA): Both chambers hold funding flat at the FY18 level of \$80 million.
- **Asia Foundation**: The House and Senate maintain funding at \$17 million, the current level.

- **African Development Foundation (ADF):** Both chambers reject the proposal to merge the ADF into USAID and provide \$30 million for the ADF, equal to FY18 levels.
- **Inter-American Foundation (IAF):** The House and Senate both reject the proposal to merge the IAF into USAID and fund the IAF at its FY18 level of \$23 million.”
- **East-West Center:** The Senate roughly maintains funding at FY18 levels, while the House provides none.

Food Aid Funding

Again this year, the House and Senate reject the Administration’s request to eliminate international food aid funding provided through the Agriculture Appropriations bills. Instead, the House includes \$1.5 billion for **Food for Peace** (PL 480, Title II), a \$216 million (13%) cut compared to FY18. It also provides \$207.6 million for the **McGovern-Dole** International Food for Education and Child Nutrition Program, equal to the FY18 enacted level. The Senate maintains Food for Peace funding at FY18 levels and provides a slight \$2.7 million increase for the McGovern-Dole program. The Senate also authorizes \$15 million of McGovern-Dole funding to be used to purchase some food assistance locally or regionally.

Food Aid	FY17 Enacted	FY18 Enacted	FY19 Request	FY19 House	FY19 Senate
Food for Peace/PL 480 Title II	\$1.6 billion*	\$1.72 billion	\$0	\$1.5 billion	\$1.72 billion
McGovern-Dole	\$202 million**	\$207.6 million***	\$0	\$207.6 million	\$210.3 million****
Total	\$1.8 billion	\$1.92 billion	\$0	\$1.71 billion	\$1.93 billion

**Does not reflect the Administration’s transfer of \$300 million into the Food for Peace program from the International Disaster Assistance account in FY17.*

***Includes \$5 million for local and regional procurement.*

****Includes \$10 million for local and regional procurement.*

*****Includes \$15 million for local and regional procurement.*

III. What's Ahead

Now that the House and Senate Appropriations Committees have completed action on the House and Senate State-Foreign Operations (SFOPS) bills, both could see floor action as Congress—and the House in particular—seeks to return to regular order by approving all 12 appropriations bills before the end of the fiscal year on September 30. The House could take up its SFOPS bill in the coming weeks as part of an appropriations “minibus,” i.e. several spending bills packaged together. In the Senate, floor action appears unlikely in the near term, but with the Senate planning to stay in town for much of the August recess we could see its SFOPS bill on the floor later this summer.

With the President firmly opposed to signing another large omnibus spending bill, Congressional Republicans are working to finalize FY19 appropriations bills in smaller packages. Congress likely will be unable to finalize all 12 spending bills by September 30 given the limited legislative calendar and political realities of an election year and in all likelihood will need to pass a Continuing Resolution (CR) to keep the government funded.

IV. Additional Information and Resources

- USGLC Analysis of the Administration's FY19 International Affairs Budget Request
<http://www.usglc.org/media/2018/02/USGLC-FY19-Budget-Analysis.pdf>
- House State-Foreign Operations Appropriations Bill & Report
https://docs.house.gov/meetings/AP/AP00/20180620/108462/BILLS-115HR-SC-AP-FY2019-AP00-State_Bill.pdf
<https://docs.house.gov/meetings/AP/AP00/20180620/108462/HMKP-115-AP00-20180620-SD002.pdf>
- House Agriculture Appropriations Bill & Report
<https://www.congress.gov/115/bills/hr5961/BILLS-115hr5961rh.pdf>
<https://www.congress.gov/115/crpt/hrpt706/CRPT-115hrpt706.pdf>
- Senate State-Foreign Operations Appropriations Bill & Report
<https://www.congress.gov/115/bills/s3108/BILLS-115s3108pcs.pdf>
<https://www.congress.gov/115/crpt/srpt282/CRPT-115srpt282.pdf>
- Senate Agriculture Appropriations Bill & Report
<https://www.congress.gov/115/bills/s2976/BILLS-115s2976pcs.pdf>
<https://www.congress.gov/115/crpt/srpt259/CRPT-115srpt259.pdf>

V. Account-by-Account Details

- Download the account-by-account details here:
http://www.usglc.org/media/2018/08/Account-by-Account-Details-FY19-HAC-SAC-Comparison_Updated.xlsx