



Congress Rejects Administration's Proposal to Slash International Affairs Programs for Fourth Consecutive Year

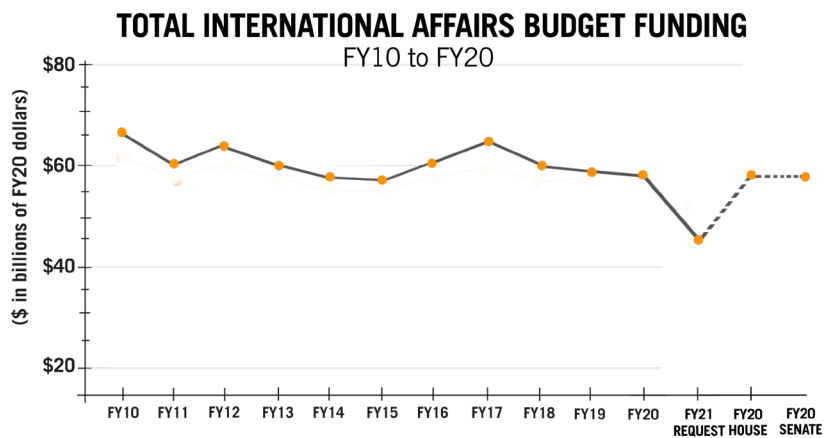
USGLC Comparison of House and Senate Funding Levels for the FY21 International Affairs Budget

November 18, 2020

Executive Summary

In February 2020, the USGLC released an [analysis](#) of the Administration's FY21 budget request. For the fourth year in a row, it called for deep cuts to America's development and diplomacy programs despite growing global crises. Both the House and the Senate rejected the Administration's dangerous and disproportionate cuts to America's development and diplomacy programs in their respective FY21 appropriations bills. Congress has demonstrated once again strong bipartisan support for these programs on Capitol Hill.

The Administration has consistently proposed deep cuts to the International Affairs Budget and Congress has rejected those cuts each year, this year included. In fact, both the House and the Senate's topline funding levels for the FY21 International Affairs Budget increased resources for these programs. The FY21 International Affairs Budget topline funding levels provided by the House and Senate increase resources for critical development programs compared to the FY20 enacted. The Senate Appropriations Committee provided a \$470 million (.8%)



increase while the House approved a more substantial \$1.2 billion (2.2%) increase in international affairs spending. If enacted, FY21 requested funding levels would be the lowest of the last decade.

As America's global challenges continue to grow, it is essential that our international affairs programs are fully funded. The rise of political unrest in developing nations, the growing need for humanitarian aid, and the worldwide impact of the COVID-19 pandemic all threaten the health, security, and prosperity of Americans. At the same time, funding for the State Department, USAID, and other development agencies remain below the recent high-water mark of FY17.

Bipartisan support from the House and Senate is needed for strong and effective development and diplomacy programs. The USGLC commends Members of Congress for rejecting the Administration's proposed cuts to the International Affairs Budget and urges Congress to agree to-at a minimum- the House approved funding levels for the International Affairs Budget, which moves closer to providing the needed resources to address today's global threats.

A full comparison analysis among the Administration's FY21 budget request, the House proposal, and the Senate proposal follows.

INTERNATIONAL AFFAIRS BUDGET SNAPSHOT

Non-Emergency				
	FY20 Enacted	FY21 Request*	FY21 House	FY21 Senate
Base	\$48.6 billion	\$44.7 billion	\$49.8 billion	\$49.0 billion
OCO	\$8.0 billion	\$0	\$8.0 billion	\$8.0 billion
Total	56.6 billion	\$44.7 billion	\$57.8 billion	\$57.0 billion
Emergency				
Total	\$2.7 billion	\$0	\$10.0 billion	\$4.4 billion**
Combined				
Total	\$59.3 billion	\$44.7 billion	\$67.8 billion	\$61.5 billion***

*CBO re-estimate of the Administration's request.

** Includes funding requested in July 2020 as part of the proposed HEALS Act.

*** Totals may not add due to rounding

I. Comparison of Select Key Accounts

Compared to the Administration’s request, both the House and Senate generally provided more resources for agencies and accounts funded through the International Affairs Budget. The House and Senate prioritized many of the same areas but differed on some issues, including UN peacekeeping, international organizations, family planning, and international food aid.

FY20 HOUSE AND SENATE COMPARISON

Similarities	Differences
<ul style="list-style-type: none"> ▪ Humanitarian Assistance: Both chambers continued support for humanitarian aid – the Senate maintained funding, and the House included a \$50 million increase for the Food for Peace program. ▪ Global Health: Both the House and Senate increased overall funding for Global Health modestly by \$65 million (1%) and \$161 million (2%), respectively. ▪ Contributions to International Organizations: Both chambers rejected the deep cuts proposed by the Administration and provided modest increases—the House \$32 million (2%) and the Senate \$6 million (0.4%). ▪ Security Assistance: Both chambers held funding essentially flat at FY20 enacted levels. ▪ Diplomatic and Embassy Security: The House and Senate sustained overall funding for diplomatic and embassy security at roughly FY20 funding levels. 	<ul style="list-style-type: none"> ▪ Development Assistance: Compared to FY20 enacted, the House added \$400 million and the Senate cut \$400 million to DA. ▪ Development Finance Corporation: The Senate provides \$821 billion, including \$450 million for equity financing, nearly fully funding the request, while the House provides \$313 million, including \$150 million for equity. ▪ Non-UN Peacekeeping: The House held funding for non-UN peacekeeping operations at its FY20 level, while the Senate cut funding for the program by \$51 million (11%). ▪ Democracy Fund: The Senate provided a \$246 (90%) increase from FY20, while the House included a \$50 million (18%) increase. ▪ International Organizations and Programs: The House maintained funding for this account, which supports voluntary contributions to the UN and other international organizations at the FY20 level, while the Senate included a \$35 million (9%) reduction.

II. Notable Program and Policy Issues

Reform and Congressional Oversight

In addition to rejecting the Administration's proposed budget cuts, both the House and Senate included several provisions focused on personnel challenges, agency oversight, and future pandemic preparedness.

- **Personnel:** Both the House and Senate bills expressed concern with continuing vacancies and staffing shortfalls at the State Department and USAID. The House included language calling for a return to FY16 staffing levels. The Senate noted its support for the increased staffing level targets established by the agencies' operating and workforce plans.
- **Workforce Diversity:** The House called explicitly for increasing "diversity in hiring, retention, and promotion" at both the State Department and USAID, while the Senate more broadly recommended expanding workforce diversity initiatives.
- **Foreign Assistance Review:** Both bills would prohibit the Administration from reprogramming foreign assistance or making organizational changes without Congress's prior consultation. The Senate bill included language specifying that any changes resulting from a global health review or initiative, such as the President's Response to Outbreaks, will similarly require Congressional consultation.
- **Global Health Strategy:** The House directed the Secretary of State and USAID Administrator to conduct a "review of the international response to the COVID-19 pandemic" to incorporate best practices for future pandemic preparedness and response. The Senate similarly directed the Secretary of State and USAID Administrator to develop an interagency strategy on zoonotic infectious disease outbreaks.

Global Health

Both the House and Senate decisively rejected the Administration's proposal to dramatically cut funding for global health programs. The House provided \$9.16 billion, and the Senate provided \$9.25 billion for these programs – which resulted in increases of \$65 million (1%) and \$161 million (2%) over the FY20 enacted level, respectively.

- The House and Senate both held FY21 funding for bilateral HIV/AIDS programs and the U.S. contribution to the Global Fund to Fight AIDS, Tuberculosis, and Malaria flat at their FY20 enacted levels. Likewise, both chambers maintained funding for Gavi, the Vaccine Alliance, at the FY20 enacted level of \$290 million.

The House and Senate bills differ in two primary areas.

- The Senate provided \$275 million for Global Health Security in FY21, \$150 million more than the House, and \$175 million (175%) above the FY20 enacted level.
- The Senate provided \$461 million for international family planning, a \$147 million (24%) cut from the FY20 enacted level, while maintaining the Mexico City Policy. By contrast, the House bill provided a total of \$806 million for family planning—a \$198 million (33%) increase over the FY20 enacted level—including \$56 million for the UN Population Fund (UNFPA) and \$165 million in Economic Support Fund (ESF) resources.

GLOBAL HEALTH FUNDING

	FY19 Enacted	FY20 Enacted	FY21 Request	FY21 House	FY21 Senate
Bilateral PEPFAR	\$4.37 billion	\$4.37 billion	\$3.18 billion	\$4.37 billion	\$4.37 billion
Global Fund	\$1.35 billion	\$1.56 billion	\$658 million	\$1.56 billion	\$1.56 billion
USAID HIV/AIDS	\$330 million	\$330 million	\$0	\$330 million	\$330 million
Malaria	\$755 million	\$770 million	\$709 million	\$755 million	\$785 million
Tuberculosis	\$302 million	\$310 million	\$275 million	\$310 million	\$325 million
Maternal/Child Health	\$835 million	\$851 million	\$660 million	\$850 million	\$865 million
Vulnerable Children	\$24 million	\$25 million	\$0	\$24 million	\$30 million
Nutrition	\$145 million	\$150 million	\$90 million	\$145 million	\$150 million
Family Planning	\$608 million	\$608 million	\$237 million	\$806 million	\$461 million
NTDs	\$103 million	\$103 million	\$75 million	\$103 million	\$103 million
Global Health Security	\$100 million	\$100 million	\$115 million	\$125 million	\$275 million
Total	\$8.84 billion	\$9.09 billion	\$6.0 billion	\$9.16 billion	\$9.25 billion

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

Development and Economic Assistance

For the fourth straight year, both the House and Senate rejected the Administration's proposed deep cuts and consolidation of several significant accounts into a new Economic Support and Development Fund (ESDF). In both bills, overall funding for these programs remained relatively flat at the FY20 enacted level. However, within these totals, there are some significant shifts and differences.

- Both bills increased funding for the Democracy Fund over FY20 levels by \$50 million (18%) in the House bill and \$246 million (90%) in the Senate bill. Funding for the Economic Support Fund (ESF) also increased by \$299 million (10%) in the House bill and \$203 million (7%) in the Senate bill.
- Funding for Development Assistance increased by \$400 million (12%) in the House, while the Senate cut funding by the same amount.
- Funding for the Peace Corps remained flat in the House bill, while the Senate slashed its provision by \$51 million (12%) from the Administration's request, arguing that the agency has carryover balances of some \$80 million. The House maintained flat funding for both the Assistance to Europe, Eurasia, and Central Asia (AEECA) account and the Millennium Challenge Corporation (MCC) while the Senate cut the former by \$49 million (6%) and increased funding for the MCC by \$7 million (1%).

DEVELOPMENT & ECONOMIC ASSISTANCE

	FY19 Enacted	FY20 Enacted	FY21 Request	FY21 House	FY21 Senate
Economic Support and Development Fund (ESDF)	\$0	\$0	\$5.93 billion	\$0	\$0
Development Assistance (DA)	\$3 billion	\$3.4 billion	\$0 billion	\$3.8 billion	\$3.0 billion
Economic Support Fund (ESF)	\$3.72 billion	\$3.05 billion	\$0 billion	\$3.44 billion	\$3.25 billion
AEECA	\$760 million	\$770 million	\$0 billion	\$770 million	\$722 million
Democracy Fund	\$227 million	\$274 million	\$0 billion	\$324 million	\$519 million
MCC	\$905 million	\$905 million	\$800 million	\$905 million	\$912 million
Peace Corps	\$411 million	\$411 million	\$401 million	\$411 million	\$360 million

Humanitarian Assistance

At a time of unprecedented humanitarian crises, both the House and Senate rejected the Administration's latest proposal to slash humanitarian assistance by \$1.56 billion (20%), as well as its proposal to consolidate most of this funding into a new USAID-administered International Humanitarian Assistance account. Instead, the House and Senate maintained FY21 funding for each of the three major humanitarian assistance accounts at their FY20 enacted levels.

HUMANITARIAN ASSISTANCE

	FY19 Enacted	FY20 Enacted	FY21 Request	FY21 House	FY21 Senate
Int'l Humanitarian Assist (IHA)	\$0	\$0	\$5.97 billion	\$0	\$0
Disaster Assistance (IDA)	\$4.39 billion	\$4.4 billion	\$0/	\$4.4 billion	\$4.4 billion
Refugees (MRA)	\$3.43 billion	\$3.43 billion	\$299 million	\$3.43 billion	\$3.43 billion
Emergency Refugees (ERMA)	\$1 million	\$100,000	\$0	\$100,000	\$100,000
Total	\$7.82 billion	\$7.83 billion	\$6.27 billion	\$7.83 billion	\$7.83 billion

Peacekeeping

The House and Senate modestly reduced UN peacekeeping funding, but by far less than the \$447 million (29%) cut proposed by the Administration. The House reduced such funding by \$70 million (5%) and the Senate by \$85 million (6%). The House bill lifted the statutory cap of 25% on U.S. contributions to UN peacekeeping, while the Senate remained consistent with the Administration's request and maintained the cap. Both chambers express concern about the arrears owed by the U.S., which exceeded an estimated \$900 million at the start of 2020.

Concerning **non-UN peacekeeping**, funding in the House bill remained flat at the FY20 enacted level, while the Senate cut this account by \$51 million (11%). By contrast, the Administration's request included a \$167 million (37%) cut to non-UN peacekeeping.

PEACEKEEPING

	FY19 Enacted	FY20 Enacted	FY21 Re-quest	FY21 House	FY21 Senate
UN Operations (CIPA)	\$1.55 billion	\$1.53 billion	\$1.08 billion	\$1.46 billion	\$1.44 billion
Non-UN Ops (PKO)	\$489 million	\$457 million	\$290 million	\$457 million	\$407 million
Total	\$2.04 billion	\$1.98 billion	\$1.37 billion	\$1.91 billion	\$1.85 billion

International Security Assistance

Rejecting the Administration’s proposed \$1.3 billion (14%) cut to international security assistance, the House maintained essentially flat funding for these programs in FY21—including Foreign Military Financing (FMF), International Narcotics Control, and Law Enforcement (INCLE), Nonproliferation, Anti-terrorism, Demining and Related (NADR) Programs, and International Military Education and Training (IMET). The Senate also maintained most of its funding for international security programs at close to FY20 levels, while including modest (1%) cuts to INCLE and NADR.

Multilateral Assistance and International Organizations

The House and Senate rejected the Administration’s proposal to eliminate funding for the International Organizations and Programs (IO&P) account and cut deeply funding for U.S. contributions to International Financial Institutions (IFIs). The House held funding for the IO&P account, the source of U.S. voluntary contributions to UN-affiliated and other international entities, at its FY20 level while the Senate included a \$35 million (9%) cut to the program.

Modest reductions in funding for U.S. contributions IFIs were included by both chambers: \$41 million (2%) by the House and \$36 million (2%) by the Senate. However, both chambers slightly increased funding for Contributions to International Organizations (CIO). The House boosted CIO funding by \$32 million (2%), and the Senate by \$6 million (0.4%). The Administration had proposed reducing funding for IFIs by \$211 million (12%) and CIO funding by \$508 million (34%).

Development Finance Corporation

The House and Senate provided different funding levels for the International Development Finance Corporation (DFC). The Senate funded all but \$15 million of the Administration’s \$836 million request for the DFC, including \$119 million for administrative expenses and \$450 million for equity financing. In contrast, the House provided a total of \$313 million for the DFC, focusing on continuing to set up the new institution with \$131 million in administrative expenses, but providing only \$150 million for equity financing. Of note, both the House and Senate continued to follow the Administration’s proposal to treat equity investments on a dollar-for-dollar basis, similar to grants, which could limit the DFC’s ability to catalyze more significant amounts of private investment. In the case of the House bill, offsetting collections resulting from the DFC’s activities are projected to adequately cover its administrative and program costs, netting \$65 million, while the Senate bill offsetting collections are projected to reduce its net costs to \$443 million in FY21.

Agencies Slated for Elimination

Both the House and Senate again reject the Administration's proposal to eliminate five agencies.

- **U.S. African Development Foundation:** Both the House and Senate maintain funding at the FY20 enacted level of \$33 million.
- **Asia Foundation:** Both chambers provide a \$1 million (5%) increase compared to the FY20 enacted level.
- **East-West Center:** Both the House and Senate provide a \$3 million (18%) boost from the FY20 enacted level.
- **Inter-American Foundation:** The House includes a \$4 million (11%) increase, while the Senate holds funding at the FY20 enacted level.
- **U.S. Trade and Development Agency (USTDA):** Both the House and Senate maintain funding at the FY20 enacted level of \$80 million.

Food Aid Funding

Both the House and Senate denied the Administration's request, for the fourth year in a row, to eliminate funding for two critical international food aid programs. The House bill provides modest increases for both Food for Peace Program and the McGovern-Dole International Food for Education and Child Nutrition Program, adding \$50 million (3%) and \$15 million (7%), respectively, to the two programs. For its part, the Senate maintains both programs at their FY20 funding levels.

	FY19 Enacted	FY20 Enacted	FY21 Request	FY21 House	FY21 Senate
Food for Peace/PL 480 Title II	\$1.72 billion	\$1.73 billion	\$0	\$1.78 billion	\$1.73 billion
McGovern-Dole	\$210 million	\$220 million	\$0	\$235 million	\$220 million
Total	\$1.93 billion*	\$1.95 billion*	\$0	\$2.01 billion**	\$1.95 billion**

COVID-19 Emergency Funding

In FY20, in addition to base and OCO funding for International Affairs provided through the regular annual House and Senate appropriations bills, Congress provided \$2.37 billion in COVID-related international funding as part of several broad, government-wide COVID supplementals totaling some \$2.4 trillion. Over the past six months, Democrats in the House and Republicans in the Senate have been negotiating over an additional supplemental intended to address the growing costs of inaction from the pandemic, both at home and abroad. These packages include \$10 billion in additional COVID-related international affairs funding in the case of the House package, and \$4.4 billion in such funding in the Senate proposal.

While the House FY21 SFOPS bill included \$10 billion in emergency appropriations for COVID-19 relief, the Senate included no emergency funding in their appropriations bills, recognizing the likely need for another package but stressing that the FY21 bills should be focused solely on annual funding needs. Importantly, the bulk of negotiations over emergency COVID-19 relief have not been attached to the regular appropriations process, but rather between competing House and Senate legislation on COVID-19 emergency supplemental packages.

III. What's Ahead

As we enter a lame duck session, there are still several budget priorities that have yet to be addressed by the House and the Senate. The current Continuing Resolution (CR) funding government operations is set to expire on December 11th. The expiration date is quickly approaching, while Congress continues to negotiate supplemental assistance funding for COVID-19 relief. A robust funding package during the lame duck is unlikely as unemployment drops, and the development of a vaccine for COVID-19 is making significant gains.

President-elect Joe Biden and Vice-President-elect Kamala Harris are expected to assume office on January 20, 2021. As with most newly incoming Administrations, we anticipate it will take some time for an FY22 budget request to be released. President-elect Biden has been vocal about his plans to invest in foreign policy and has pledged to increase funding for agencies and programs supporting international development and diplomacy.

IV. Additional Resources

- **USGLC Analysis of the Administration's FY21 International Affairs Budget Request**
https://www.usglc.org/media/2020/02/USGLC-FY21-Budget-Analysis_web.pdf
- **House FY21 State-Foreign Operations Appropriations Bill & Report**
https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/FY2021-SFOPS-SUB-Final_xml.pdf
<https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/2020-07-03%20SFOPS%20Report%20Full%20Committee.pdf>
- **House FY21 Agriculture Appropriations Bill & Report**
https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/AGR21%20SubCom_xml%20-%20FULL%20COMMITTEE%20PRINT.pdf
<https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Ag%20Report%20received%207-2-20.pdf>
- **Senate FY20 State-Foreign Operations Appropriations Bill & Report**
<https://www.appropriations.senate.gov/imo/media/doc/SFOPSFY2021.pdf> <https://www.appropriations.senate.gov/imo/media/doc/SFOPSRept.pdf>
- **Senate FY20 Agriculture Appropriations Bill & Report**
<https://www.appropriations.senate.gov/imo/media/doc/AGFY2021.pdf> <https://www.appropriations.senate.gov/imo/media/doc/AGRept.pdf>

V. Account-by-Account Details

- <https://www.usglc.org/media/2020/11/FY21-SAC-HAC-Account-by-Account-Summary.xlsx>