

# International Affairs Budget Update

JUNE 5, 2024

## I. House State-Foreign Operations Bill Cuts Funding by 11%

In an ambitious effort to complete committee action on all twelve FY25 appropriations bills by mid-July, yesterday the House State-Foreign Operations (SFOPS) Appropriations Subcommittee approved its FY25 SFOPS bill by voice vote.

In total, the bill **provides \$51.7 billion** for America’s diplomatic and development agencies and programs – 11% (\$6.6 billion) below the FY24 enacted level and 17% below the Administration’s FY25 request.

### STATE-FOREIGN OPERATIONS SNAPSHOT

	FY24 Enacted*	FY25 Request	FY25 House
<b>Non-Emergency</b>	\$55.8 billion	\$59.6 billion	\$51.7 billion
<b>Base Emergency</b>	\$2.5 billion	\$2.8 billion	\$0
<b>Total</b>	<b>\$58.3 billion</b>	<b>\$62.4 billion</b>	<b>\$51.7 billion</b>

\*Excludes \$26.8 billion in emergency funding primarily for Ukraine, Israel, Taiwan, and global humanitarian assistance.

Following the release of the House 302(b) allocations, USGLC published a [statement](#) highlighting the need to “double down on investing in the critical tools of diplomacy and development to ensure we can compete on the global stage” and reiterating our commitment to “bipartisan, bicameral engagement with Congress to underscore why investing in our international affairs tools directly protects America’s security and economic interests.”

### Select Highlights

We will share additional details when the House Appropriations Committee releases its report accompanying the SFOPS bill ahead of next week’s full committee markup. In the interim, the [bill text](#) and [committee summary](#) provide important insights on funding priorities. Unless otherwise noted, comparisons are to the FY24 enacted level.

- ▶ **International Security Assistance:** The House bill increases funding for international security assistance programs by 10% (+\$928 million) compared to the FY24 enacted level and 8% (+\$753 million) compared to the Administration’s FY25 request.
- ▶ **Peacekeeping:** The House bill cuts funding for UN Peacekeeping by 22% (-\$299 million), while providing a 2% (+\$10 million) boost for non-UN peacekeeping programs.
- ▶ **Countering the PRC:** In line with the Administration’s FY25 request, the House bill provides \$400 million for

the Countering PRC Influence Fund – equal to the FY24 enacted level. It also directs that \$2.1 billion in economic and security assistance be allocated to implementation of the Indo-Pacific Strategy. Additionally, the bill includes \$500 million in security assistance for Taiwan – 400% (+\$400 million) above the Administration’s FY25 request.

- ▶ **Development Finance and Export Agencies:** The House bill provides \$777 million for the Development Finance Corporation (DFC), including \$769 million for administrative and program costs and \$8 million for the Inspector General. This is a 23% (-\$228 million) cut from both the FY24 enacted level and the Administration’s FY25 request. The bill also increases funding for the Export-Import Bank by 0.5% (+\$1 million) and holds funding for the U.S. Trade and Development Agency flat.
- ▶ **Humanitarian Assistance:** The House bill provides \$5.9 billion for humanitarian assistance, a 32% (-\$2.8 billion) cut compared to the FY24 enacted level and 30% below the Administration’s FY25 request. It also zeros out the Emergency Refugee and Migration Assistance (ERMA) account.
- ▶ **Development and Economic Assistance:** The House bill makes deep reductions to the two largest development and economic assistance accounts – including a 24% (-\$931 million) cut to Development Assistance (DA) and a 12% (-\$459 million) cut to the Economic Support Fund (ESF). The Peace Corps sees a 5% (-\$20 million) cut. The bill holds funding flat for Assistance to Europe, Eurasia, and Central Asia (AEECA), and includes small increases of 3% (+\$10 million) and 1% (+\$7 million) for the Democracy Fund and the Millennium Challenge Corporation, respectively.
- ▶ **Global Health:** The House bill cuts overall funding for Global Health Programs by 8% (-\$762 million). It provides \$1.25 billion for the Global Fund, a 24% (-\$400 million) decrease from the FY24 enacted level, but 5% (+\$58 million) above the Administration’s FY25 request.
- ▶ **Multilateral Assistance:** The House bill severely cuts funding for U.S. assessed contributions to the UN and other international organizations by 83% (-\$1.3 billion) and eliminates funding for the UN regular budget. The International Organization and Programs (IO&P) account, which covers voluntary contributions to a range of international organizations, is zeroed out. Additionally, the bill reduces funding for U.S. contributions to the World Bank and other international financial institutions (IFIs) by 25% (-\$583 million).
- ▶ **Civilian Capacity and Operations:** The House bill reduces funding for the State Department and USAID accounts that fund personnel and other operating costs by 10% (-\$1 billion) and 28% (-\$480 million), respectively. Coming in slightly above the administration’s request, funding for embassy security sees a 2% (+\$115 million).