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# Department of State, Foreign Operations, and Related Programs: FY2018 Budget and Appropriations

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## Summary

The 115<sup>th</sup> Congress is considering FY2018 funding levels for the Department of State, Foreign Operations, and Related Programs (SFOPS). President Donald J. Trump submitted his FY2018 budget request to Congress on May 23, 2017. The request seeks \$40.25 billion (-30% compared with FY2017 enacted) for SFOPS, including Overseas Contingency Operations (OCO) funds. Of this total, \$13.20 billion (-27% compared with FY2017 enacted) would be for the Department of State Operations and related programs. For Foreign Operations, the FY2018 request includes \$27.05 billion (-31% compared with FY2017 enacted). The total OCO funds in the request amount to \$12.02 billion (-42% below FY2017 enacted, including the FY2017 supplemental; excluding the supplemental, it would be -21%). OCO funds are important in the budget request since these funds do not count against the discretionary spending limits imposed by the Budget Control Act of 2011 (P.L. 112-25).

Prominent issues in the SFOPS request include, among others, a reduction in annual appropriations for diplomatic security, contributions to international organizations and international peacekeeping, and educational and cultural exchange programs; a proposal to consolidate several bilateral foreign aid programs into one new account called the Economic Support and Development Fund (ESDF); proposed elimination of some foreign operations entities, such as the Trade and Development Agency and the Inter-American Foundation; and a 44% reduction in humanitarian assistance, including a zeroing out of the P.L. 480 (Food for Peace) foreign food aid program.

On July 24, 2017, the House Committee on Appropriations reported H.R. 3362, the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018.

The FY2018 appropriations for Defense (DOD) could affect SFOPS funding in FY2018 because of the discretionary spending limits set by the Budget Control Act of 2011 (P.L. 112-25). For FY2018, the caps are set at \$549 billion for defense and \$516 billion for nondefense (including SFOPS). Congress may seek to avert sequestration by amending or repealing the BCA, or passing a bipartisan budget agreement to raise OCO-designated funding for both DOD and SFOPS, as it did in FY2015. (For more detail on defense FY2018 budget issues, see CRS Report R44866, *FY2018 Defense Budget Request: The Basics*.)

This report will be updated as congressional action on the foreign affairs budget occurs.

## Contents

Introduction .....	1
Congressional Action .....	2
FY2018 Budget Request for State, Foreign Operations, and Related Programs (SFOPS) .....	3
Department of State and Related Programs .....	3
Worldwide Security Protection .....	4
Embassy Security, Construction, and Maintenance .....	5
Contributions to International Organizations and Contributions for International Peacekeeping Activities .....	6
Educational and Cultural Exchange Programs.....	7
Foreign Operations.....	8
Key Foreign Operations Issues .....	10
Economic Support and Development Fund .....	10
Proposed Agency Eliminations .....	11
Possible Impact on Key Sectors.....	11

## Figures

Figure 1. Aid by Region, FY2018 Request .....	9
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## Tables

Table 1. State-Foreign Operations Appropriations, FY2009-FY2018.....	2
Table 2. Status of State-Foreign Operations Appropriations, FY2018 .....	2
Table 3. State Department and Related Agencies: Select Accounts .....	4
Table 4. Foreign Operations and Foreign Aid by Appropriations Type, FY2016, FY2017, and FY2018 Request and Legislation .....	8
Table 5. Top Recipients of U.S. Foreign Assistance, FY2016 and FY2018 Request.....	10
Table 6. Humanitarian Assistance by Account, FY2017 Enacted and FY2018 Request.....	12
Table A-1. State Department, Foreign Operations, and Related Agencies Appropriations, FY2016 Actual and FY2017 Enacted and FY2018 Request and Congressional Action.....	15
Table B-1. International Affairs Budget FY2016, FY2017, and FY2018 .....	28

## Appendixes

Appendix A. SFOPS Appropriations, FY2016-FY2018 .....	15
Appendix B. International Affairs Budget.....	28
Appendix C. Glossary .....	29

## **Contacts**

Author Contact Information ..... 30

## Introduction

The 115<sup>th</sup> Congress is considering FY2018 appropriations measures for the Department of State, Foreign Operations, and Related Programs (SFOPS). On May 23, 2017, the Trump Administration submitted its FY2018 budget request to Congress. The SFOPS total requested for FY2018 (including Overseas Contingency Operations funds, otherwise known as OCO) is \$40.25 billion, 30% below the enacted FY2017 SFOPS funding level of \$57.53 billion. For State Operations and Related Programs, the request is \$13.20 billion, 27% below the enacted level of \$18.09 billion. For Foreign Operations, the FY2018 request is \$27.05 billion, 31% below the FY2017 enacted level of \$39.44 billion. (For a comparison of the FY2018 SFOPS request with past funding levels, see **Table 1** below. For account-by-account details regarding the FY2018 request, FY2016 actuals, and comparison with FY2017 enacted funding levels, see **Table A-1**.)

The SFOPS FY2018 request seeks a total of \$12.0 billion in OCO funds for FY2018, representing a 42% reduction compared with the FY2017 enacted OCO level.<sup>1</sup> The Trump Administration would expand the designation of OCO funds from short-term, temporary war-related costs as requested by the Obama Administration to include longer-term, core costs for countries vital to U.S. national interests; for extraordinary activities that are critical to U.S. national security objectives; for preventing, addressing, or recovering from natural and manmade crises; and for securing State Department and USAID global operations.<sup>2</sup>

### OCO and the Budget Control Act

Since FY2012, SFOPS funding has been divided into enduring (regular or base) funds and Overseas Contingency Operations (OCO) funds used primarily for war or counterterrorism-related expenditures that do not count against discretionary spending caps imposed by the Budget Control Act of 2011 (BCA, P.L. 112-25). In 2015, Congress passed the Bipartisan Budget Act of 2015 (BBA, P.L. 114-74) that increased discretionary spending limits above previous BCA levels and set higher defense and foreign affairs OCO minimums for FY2016 and FY2017 to provide budget certainty. The BBA resulted in some SFOPS enduring funds being designated as OCO. From FY2015 to FY2016, SFOPS funds appropriated for OCO-designated activities increased by \$3.5 billion (or 200%), while enduring (base-budget) funds declined by \$3.0 billion (23%).

The Administration's FY2018 request would breach defense discretionary spending caps but not the caps for nondefense (that includes SFOPS) required by the Budget Control Act of 2011 (BCA, P.L. 112-25). To raise defense spending by the requested amount or more, Congress might opt to amend or repeal the BCA prior to appropriating the higher funds, or designate more funds as OCO for defense, as well as SFOPS, if nondefense caps become more restrictive.<sup>3</sup> Without amending the BCA, repealing it, or designating more funds as OCO, breaching the defense spending caps could lead to sequestration (across-the-board reductions) for defense, but not for nondefense accounts, if they remain below the caps.

<sup>1</sup> The FY2017 OCO funding level includes \$4.3 billion from P.L. 114-254 that Congress appropriated December 10, 2016. The FY2017 OCO funding level represents a record high, compared with all other years beginning in FY2012 when the Department of State first requested these contingency funds.

<sup>2</sup> Information provided on page 10 of the Department of State briefing material May 23, 2017.

<sup>3</sup> Some Members have suggested that an amendment of the BCA could lower the spending caps for the nondefense category, possibly resulting in even greater funding constraints on foreign affairs spending in FY2018. To avoid that outcome, some have suggested that Congress pass a new bipartisan budget agreement that could raise nondefense spending caps and/or OCO minimums for a limited number of years.

**Table 1. State-Foreign Operations Appropriations, FY2009-FY2018**  
(in billions of current U.S. dollars)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17 Enacted	FY18 Request
Enduring \$	50.30	49.44	48.80	41.80	39.75	42.91	41.01	37.97	36.74	28.23
OCO/Supp \$	1.83	2.34	0.00	11.20	10.82	6.52	11.89	14.89	20.79	12.02
Total	52.13	51.78	48.80	53.00	50.57	49.43	52.90	52.86	57.53	40.25

**Sources:** Congressional Budget Justification Department of State and Foreign Operations, Fiscal Year 2018; P.L. 115-31; P.L. 114-254; CRS appropriations reports; and CRS calculations.

**Note:** Supp=emergency supplemental funds, largely used for Iraq and Afghanistan before the OCO designation was first used in FY2012. FY2015 OCO/Supp includes \$9.37 billion for OCO and \$2.53 billion for emergency Ebola funds. OCO/Supp \$ for FY2017 includes \$4.3 billion within P.L. 114-254 and \$16.485 billion within P.L. 115-31.

## Congressional Action

On July 24, 2017, the House Appropriations Committee reported H.R. 3362 (H.Rept. 115-253), a FY2018 SFOPS proposal that would provide \$35.50 billion for enduring funds and \$12.02 billion for OCO, totaling \$47.52 billion.<sup>4</sup> This represents a \$10 billion (-17%) decline compared with FY2017 total enacted and a \$5.37 billion (-10%) decline from FY2016. Overall, the House committee’s bill proposes \$1.24 billion (-3%) less for enduring funds than the FY2017 enacted budget and \$8.8 billion (-42%) less for OCO funds. The House committee set the FY2018 State Department and Related Agencies amount at \$15.52 billion (-14% compared with FY2017 enacted), of which \$4.18 billion (-39%) is OCO funding. It set Foreign Operations funding at \$33.46 billion (-15% compared with FY2017 enacted), including \$8.0 billion (-43%) for OCO (see **Table 2**).

**Table 2. Status of State-Foreign Operations Appropriations, FY2018**  
(funding in billions of current U.S. dollars)

302(b) Allocations		Committee Action		Floor Action		Conference/Agreement			Public Laws	
House	Senate	House	Senate	House	Senate	House	Senate	Agreement		
7/17	—	7/24/17	—	—	—	—	—	—	—	—
\$47.37	—	\$47.52	—	—	—	—	—	—	—	—

**Notes:** The Congressional Budget and Impoundment Control Act of 1974 established a congressional budget process. The act, as amended, includes a requirement that the House and Senate approve a budget resolution that becomes the basis for the allocation of funds to the Appropriations Committee that are then divided among the 12 subcommittees, as required by Section 302(b). Neither the House nor the Senate has passed a budget resolution; however, in July the House did provide interim suballocations. This table shows the House-proposed total budget authority that includes \$35.35 billion for enduring, ongoing funds and \$12.02 billion for OCO.

<sup>4</sup> This figure is calculated from \$48.8 billion in new budget authority minus rescissions of \$1.3 billion from funds appropriated in prior years.

# FY2018 Budget Request for State, Foreign Operations, and Related Programs (SFOPS)

The Trump Administration's FY2018 budget request reflects a departure from past Administration budget proposals for the Department of State, Foreign Operations, and Related Programs (SFOPS). Discussion of some key changes follows.

## Department of State and Related Programs

The Administration proposes to cut funding for the State Department and Related Agency category<sup>5</sup> by 27% from FY2017 enacted levels, to \$13.20 billion.<sup>6</sup> Base funding would decrease under the proposal by 19%, while OCO funding would decrease by 21%. Cuts are proposed in areas such as Capital Security Cost Sharing (CSCS) and Maintenance Cost Sharing (MCS) program contributions,<sup>7</sup> contributions to international organizations, contributions for international peacekeeping activities, and educational and cultural exchange programs. Department of State officials have said that although combined funding for bureaus within the Department of State that lead planning and implementation of diplomatic security-related activities (the Bureau of Diplomatic Security [DS] and the Bureau of Overseas Building Operations [OBO]) would decline by approximately 13% relative to the FY2017 estimated level, the level of resources available to these bureaus would increase by 11% when one accounts for adjustments to CSCS and MCS program payments.<sup>8</sup> The department's flexibility to make these adjustments owes in part to congressional decisions to provide "no-year" appropriations, or appropriated funds that the Department of State is authorized to carry forward beyond the fiscal year for which they were appropriated, to the department's key diplomatic security accounts.

Among the top-line accounts, the Diplomatic and Consular Programs (D&CP) account, the State Department's main operations account, would decline by 14% to \$8.26 billion. The Embassy Security, Construction, and Maintenance (ESCM) account would total \$1.14 billion, a 62%

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<sup>5</sup> The Department of State and Related Programs appropriation includes State Operations, Contributions to International Organizations and International Peacekeeping Operations, Function 300 International Commissions, International Broadcasting, State-related Commissions, and Other Commissions. It also includes mandatory payments to the Foreign Service Retirement and Disability Fund, which the Department of State excluded from its FY 2018 request calculation.

<sup>6</sup> The Department of State's FY2018 Congressional Budget Justification uses FY2017 estimate calculations that are based on the annualized continuing resolution calculation for FY2017 (P.L. 114-223). In contrast, CRS's FY2017 enacted calculations reflect the appropriations provided through the Further Continuing and Security Assistance Appropriations Act, 2017, (P.L. 114-254); and the Consolidated Appropriations Act, FY2017 (P.L. 115-31).

<sup>7</sup> The Government Accountability Office notes that the Capital Security Construction Program began in fiscal year 1999 to fund the replacement of embassies that did not meet security standards. The Capital Security Construction Program is funded through direct appropriations to State and contributions from other U.S. agencies with overseas staff—received under the Capital Security Cost-Sharing Program. Congress established this cost-sharing program in FY2005 to provide additional funding for the Capital Security Construction Program. In FY2012, the Capital Security Construction Program was expanded to include the Maintenance Cost Sharing (MCS) program. According to the Department of State, the intended use of MSC is to "protect the investment made in existing facilities and properly maintain and extend the useful life of existing facilities that contain an overseas presence" and fund "the salary and support costs for the Department's cadre of professional facility managers at posts." For more information, see Government Accountability Office, *Embassy Construction: State Needs to Better Measure Performance of Its New Approach*, GAO-17-296, March 16, 2017; and U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2012: Department of State Operations*, Vol. 1, February 18, 2011, p. 436.

<sup>8</sup> Briefing conducted by the Department of State for the United States House of Representatives, May 23, 2017.

decrease from the FY2017 enacted level. Other noteworthy reductions in the proposal include significant cuts in “Related Programs” accounts, which fund a number of nongovernmental institutions (see **Table 3**). For example, the FY2018 request seeks to end direct appropriations for the Asia Foundation and the East-West Center (the department maintains that these organizations will remain eligible to compete for federal grant funding opportunities and receive private sector contributions). The request also looks to cut the direct appropriation for the National Endowment for Democracy by 39% from the FY2017 enacted level (see **Table 3**).<sup>9</sup>

H.R. 3362, the House committee bill, would provide \$15.52 billion in new appropriations for the State Department and Related Agency Category (not reflecting rescissions of prior year funds). This comprises approximately 18% more than requested and 14% less than FY2017 enacted funding. About 27% of the State Department and Related Agency funding would be designated for OCO.

**Table 3. State Department and Related Agencies: Select Accounts**

(in billions of current U.S. dollars)

	<b>FY2016 Actual</b>	<b>FY2017 Enacted</b>	<b>FY2018 Request</b>	<b>% change (FY17 to FY18 request)</b>	<b>FY2018 House (H.R. 3362)</b>
Diplomatic & Consular Programs	8.18	9.61	8.26	-14%	8.43
Embassy Security, Construction & Maintenance	2.22	3.01	1.14	-62%	2.31
Intl. Orgs / Peacekeeping	3.91	3.27	2.19	-33%	2.67
Intl. Broadcasting	0.75	0.79	0.69	-13%	0.77
Educational and Cultural Exchanges	0.59	0.63	0.29	-55%	0.59
Related Programs	0.24	0.24	0.12	-50%	0.22

**Source:** CRS calculations based on Department of State, FY2018 Congressional Budget Justification. Calculations may differ due to rounding.

### Worldwide Security Protection

The Worldwide Security Protection (WSP) request within D&CP is the primary source of funding for DS. DS’s responsibilities include but are not limited to developing and implementing security programs to protect all personnel at every U.S. diplomatic mission; protecting the Secretary of State, the U.S. Ambassador to the United Nations, and foreign dignitaries below the head-of-state level who visit the United States; investigating passport and visa fraud; conducting personnel security investigations; and issuing security clearances.<sup>10</sup>

Under the Administration’s proposal, which totals \$3.76 billion, funding for WSP would decline 19% from the FY2017 enacted level. When one excludes FY2017 supplemental funding, this proposal marks an increase of 1.1%. The Department of State maintains that congressional action to fully fund WSP with “no-year” appropriations has created an ample pipeline of unobligated

<sup>9</sup> U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, pp. 18-19.

<sup>10</sup> U.S. Department of State, “About Diplomatic Security,” <https://www.state.gov/m/ds/about/overview/index.htm>.



funds. It adds that a large share of the difference between the FY2018 request and FY2017 figure owes to nonrecurrent OCO expenditures.<sup>11</sup> However, the department cautions that the increasing percentage of recurring DS operations at overseas facilities funded in the WSP account through OCO may present future year challenges, as it anticipates that OCO funding will be significantly reduced in the years ahead. With regard to non-OCO funds, the Administration's \$871 million request for DS funds through WSP comprises a \$46.4 million net decrease reflecting "prior-year efficiencies" and does not make mention of future efficiencies to be realized.<sup>12</sup>

H.R. 3362 would appropriate a total of \$3.76 billion for WSP, which is equal to the Administration's request. The proportions of enduring funds (\$1.38 billion) and OCO funds (\$2.38 billion) provided in the bill also mirror the Administration's request. The bill would maintain the status of WSP as a no-year appropriation for both OCO and non-OCO funds, meaning that the Department of State could carry forward any balance of unobligated FY2018 appropriated funds for expenditure in subsequent fiscal years.

### **Embassy Security, Construction, and Maintenance**

The ESCM account is the primary source of funding for OBO. OBO's responsibilities include but are not limited to setting the department's priorities for the design, construction, acquisition, maintenance, and use of diplomatic mission properties.<sup>13</sup> One key funding area within ESCM is the Worldwide Security Upgrades (WSU) allocation, which is used in part to meet the Department of State's share of obligations to the CSCS and MCS programs.

Like WSP, Congress has provided no-year appropriations for ESCM and, by extension, WSU. The Administration's \$1.14 billion request for ESCM constitutes a 62% decrease relative to the FY2017 enacted figure of \$3.01 billion. However, the department intends to draw on its balance of unobligated funds to increase actual ESCM total direct obligations from an estimated \$2.2 billion in FY2017 to \$2.3 billion in FY2018.<sup>14</sup>

Within ESCM, the department seeks to carry forward \$618.4 million in funds that Congress previously appropriated for WSU in FY2017 to meet its FY2018 CSCS and MCS obligations. The department maintains that these carry-over funds, requested new funds totaling \$337.7 million for this purpose for FY2018, and additional funds provided through Machine Readable Visa (MRV) fees will be sufficient to meet its required share of contributions to CSCS and MCS. According to the department, other agencies with overseas staff under Chief of Mission authority will contribute an additional \$1.1 billion, bringing total contributions to \$2.2 billion, which is the annual level the Benghazi Accountability Review Board recommended.<sup>15</sup>

H.R. 3362 would appropriate a total of \$2.31 billion for ESCM, or approximately 103% more than the Administration's FY2018 request. While the Administration does not request any OCO

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<sup>11</sup> U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, pp. 149-151; Briefing conducted by the Department of State for the United States House of Representatives, May 23, 2017.

<sup>12</sup> Ibid.

<sup>13</sup> U.S. Department of State, "About OBO," <https://overseasbuildings.state.gov/about>.

<sup>14</sup> Office of Management and Budget, *A New Foundation for American Greatness – President's Budget FY2018*, May 23, 2017, Appendix: Department of State and Other International Program, <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/sta.pdf>, p. 771.

<sup>15</sup> Briefing conducted by the Department of State for the United States House of Representatives, May 23, 2017; U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, pp. 155-156.

funds for the ESCM account, H.R. 3362 would provide \$71.8 billion for OCO. With regard to WSU, the bill would provide \$1.49 billion, or over \$1.1 billion more than what the Administration is requesting. The appropriations report accompanying H.R. 3362 notes that the committee recommendation does not include the Administration-requested authority to use prior year funds to augment its CSCS contribution for the Department of State. The committee instead recommends that the department obligate no less than \$956.152 million made available for ESCM in this legislation for its CSCS and MCS obligations. As with WSP, the funds provided under ESCM would comprise a no-year appropriation.<sup>16</sup>

## **Contributions to International Organizations and Contributions for International Peacekeeping Activities**

Within the Department of State and Related Programs Appropriation, funds are provided to international organizations through the Contributions to International Organizations (CIO) and Contributions for International Peacekeeping Activities (CIPA) accounts. In previous years, requests for these accounts have included itemized lists of intended U.S. contributions to international organizations and international peacekeeping activities. However, the department has yet to clarify how much it intends to contribute to individual entities in FY2018. Therefore, its FY2018 request includes aggregate figures divided only into enduring and OCO requests.

The Administration's request for the CIO account totals \$996 million, a 27% decrease from the FY2017 enacted level of \$1.36 billion. The department states that inherent in this request is the expectation that organizations to which the United States contributes will cut costs and distribute funding burdens more evenly across member states. The budget request notes that the department will lead an interagency review of U.S. contributions to international organizations, adding that priority will be given to organizations that "most directly support U.S. national security interests" and "American prosperity." The request also provides three means through which the department is considering significantly reducing U.S. contributions to international organizations: (1) reducing the levels of international organizations' budgets, including through cooperating with key allies that have supported previous efforts to limit budget growth; (2) reducing the U.S. assessment rate; and/or (3) possibly not paying U.S. assessments in full.<sup>17</sup>

H.R. 3362 would provide \$1.17 billion for CIO, which marks a 17% increase relative to the Administration's FY2018 request and a 14% decrease from the FY2017 enacted figure. The appropriations report states the committee's expectation that the Secretary of State prioritize payments for organizations whose work promotes human health and international security, which the committee says includes the North Atlantic Treaty Organization (NATO) and the International Atomic Energy Agency (IAEA).<sup>18</sup> The report notes the committee's disappointment with "the ascension to the UNHRC [United Nations Human Rights Council] of countries with poor human rights records." This is reflected in a measure in H.R. 3362 requiring the Secretary of State to determine and report to the Committees on Appropriations that the UNHRC is taking significant

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<sup>16</sup> U.S. Congress, House Committee on Appropriations, *Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018*, report to accompany H.R. 3362, 115<sup>th</sup> Cong., 1<sup>st</sup> session, H.Rept. 115-253, pp. 21-23.

<sup>17</sup> U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, p. 181.

<sup>18</sup> U.S. Congress, House Committee on Appropriations, *Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018*, report to accompany H.R. 3362, 115<sup>th</sup> Cong., 1<sup>st</sup> session, H.Rept. 115-253, p. 25.

steps to increase transparency in the election of members for funds appropriated under this act to be made available in support of the UNHRC.<sup>19</sup>

The Administration's request for CIPA totals \$1.19 billion, a 37% decrease from the FY2017 enacted level of \$1.9 billion. The department asserts that because the United States will not have an opportunity to achieve a reduction in its U.N. peacekeeping assessment rate until December 2018,<sup>20</sup> reduced U.S. funding must be achieved through reductions in overall U.N. peacekeeping budget levels or reduced U.S. contributions. The department adds that while U.N. peacekeeping missions help achieve U.S. government objectives, these missions must be implemented in a more effective manner, enabling them to better "address conflicts, support political solutions, and meet the needs of the people they are intended to help." The request also includes a call to other permanent members of the U.N. Security Council to join the United States in a strategic review of each peacekeeping mission, and more equitable mission cost sharing among U.N. member states.<sup>21</sup>

H.R. 3362 would provide \$1.5 billion for CIPA. This is a 25% increase relative to the Administration's FY2018 request and a 22% decrease from the FY2017 enacted figure. The appropriations report notes that the committee recommendation provides the resources necessary to fund the assessed cost of peacekeeping missions at the statutory level of 25%. It also states the committee's concern about the scope, duration, and costs of U.N. peacekeeping missions and supports U.S. efforts to bring down costs while maintaining U.S. interests and international security.<sup>22</sup>

## Educational and Cultural Exchange Programs

The Administration's FY2018 budget request for the Educational and Cultural Exchange Programs account totals \$285 million, a 55% reduction from the FY2017 enacted level of \$634 million. The department notes that these programs help build strategic relationships and networks between American citizens and people in other countries to advance U.S. foreign policy goals.

According to the Department of State, the FY2018 request is intended to be more narrowly targeted toward specific foreign policy goals, avoid duplication, and focus on "core programs" including the Fulbright program. The request calls for federal funding for the Fulbright program to total \$125.6 million, a 47% reduction from the FY2017 enacted level of \$240 million.<sup>23</sup> Some

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<sup>19</sup> See Sec. 7048 (c) of H.R. 3362

<sup>20</sup> Assessed contributions are required dues, the payment of which is a legal obligation accepted by a country when it becomes a U.N. member. In the early 1990s, the U.S. rate of assessment was over 30%—a level that many U.S. policymakers found to be too high. Accordingly, in 1995 Congress set a limit of 25% on the funds authorized for any fiscal year after 1995. The 25% cap remains U.S. law; however, between FY2002 and FY2016, Congress enacted legislation to raise the cap temporarily so that U.S. contributions were closer to U.N. assessment levels. Congress did not enact a cap adjustment for FY2017 peacekeeping funding, and the U.S. cap returned to 25%. The Department of State's FY2018 budget request says that the United States would not contribute more than 25% to U.N. peacekeeping costs.

<sup>21</sup> U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, p. 184.

<sup>22</sup> U.S. Congress, House Committee on Appropriations, *Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018*, report to accompany H.R. 3362, 115<sup>th</sup> Cong., 1<sup>st</sup> session, H.Rept. 115-253, pp. 28-29.

<sup>23</sup> U.S. Department of State, *Congressional Budget Justification: Fiscal Year 2018: Department of State, Foreign Operations, and Related Programs*, May 23, 2017, pp. 165-166.

Members of Congress have expressed concern that this request could significantly curb or even zero out federal funding for additional unspecified congressionally mandated exchange programs.

H.R. 3362 would provide \$590.9 million for Educational and Cultural Exchange Programs, including no less than \$236 million for the Fulbright program. This marks a 107% increase relative to the Administration’s FY2018 request and a 7% reduction compared to the FY2017 enacted level. It also includes language provided in past appropriations laws requiring that any substantive modifications from the prior fiscal year to programs funded by this act under this heading shall be subject to prior consultation with, and the regular notification procedures of, the Committees on Appropriations.

## Foreign Operations

The Foreign Operations accounts fund a range of activities encompassing bilateral economic aid, humanitarian assistance, security assistance, and export promotion programs. Together with two international food aid accounts appropriated through the Agriculture appropriation (P.L. 480 Title II Food for Peace and the McGovern-Dole Food for Education accounts), Foreign Operations accounts comprise the foreign assistance component of the international affairs budget.

For FY2018, the Administration is requesting \$27.05 billion for Foreign Operations, about 31% less than the FY2017 enacted funding level. Of this total, \$7.95 billion is designated as OCO (29%).

The House committee bill, H.R. 3362, includes \$33.46 billion in new appropriations for Foreign Operations (not reflecting rescissions of prior year funds), about 24% more than requested and 15% less than the FY2017 enacted funding. About 24% of the Foreign Operations funding would be designated as OCO.

**Table 4** shows Foreign Operations and foreign aid funding (foreign operations plus food aid) by type for FY2016, FY2017 enacted, the FY2018 request and FY2018 pending legislation.

**Table 4. Foreign Operations and Foreign Aid by Appropriations Type, FY2016, FY2017, and FY2018 Request and Legislation**

(in millions of current U.S. dollars)

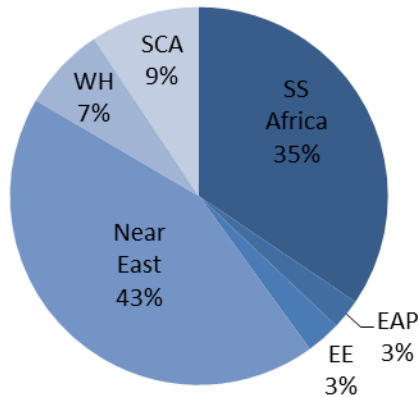
	FY2016 actual	FY2017 enacted	FY2018 request	% change, FY17 to FY18 request	FY2018 House (H.R. 3362)
<b>USAID Administration</b>	1,527	1,632	1,412	-13.5%	1,517
<b>Bilateral Economic Assistance</b> (excludes humanitarian assistance)	18,553	19,076	12,756	-33.1%	16,751
<b>Humanitarian Assistance</b> (excludes P.L. 480 food aid)	5,910	7,837	5,254	-33.0%	5,931
<b>Security Assistance</b>	8,831	9,380	7,093	-24.4%	8,756
<b>Multilateral Assistance</b>	2,627	2,110	1,480	-29.9%	878
<b>Export Promotion</b>	-454	-590	-946	<i>n.a.</i>	-372
<b>Foreign Operations Total</b>	36,995	39,443	27,049	-31.4%	33,460 <sup>a</sup>
P.L. 480, Title II and McGovern-Dole (Ag approps)	1,917	1,667	0.00	-100%	1,602
<b>Foreign Aid Total, Function 150</b>	38,912	41,110	27,049	-34.2%	35,062 <sup>a</sup>

**Source:** FY2018 Department of State, Foreign Operations, and Related Programs; Congressional Budget Justification; H.R. 3362 and H.R. 3268; CRS calculations. Note that P.L. 480 and McGovern-Dole are part of the 150 function, but are not within SFOPS appropriations.

**Notes:** The Humanitarian Assistance category includes the International Disaster Assistance, Migration & Refugee Assistance, and Emergency Refugee & Migration assistance accounts.

a. Does not reflect rescissions of prior year funds.

**Figure 1. Aid by Region, FY2018 Request**



**Notes:** WH = Western Hemisphere; SCA = South Central Asia; EE = Europe and Eurasia; EAP = East Asia and Pacific; SS Africa = Sub-Saharan Africa.

Every major category of foreign assistance would be reduced from FY2017 levels under the FY2018 request. Bilateral economic assistance and humanitarian assistance (not including food aid) would both be reduced by about a third overall from FY2017 levels, and multilateral aid cut about 30%. Security assistance and USAID administrative accounts would be subject to proportionately lighter cuts (-24% and -14%, respectively). Several accounts would be merged, eliminated, or funded only to cover close-out expenses, as discussed below.

The House bill would reduce funding compared to FY2017 in every category as well, though the cuts would generally be less than those proposed in the budget request. An exception is multilateral assistance, for which

the House bill includes \$877 million, a 58% cut from the FY2017 appropriation and 41% less than the budget request.

Under the FY2018 request, foreign assistance funding levels would decline in every region, with proposed cuts ranging from 60% in Europe and Eurasia to 11% in the Near East. The proportional share of aid for each region would not change significantly, though the Near East would replace Africa as the top regional recipient of foreign assistance, as aid to Africa would decline by 35%. Aid to the East Asia and Pacific regions would be cut nearly in half (46%) from FY2016 estimates, while aid to South and Central Asia would be cut by about 30% and Western Hemisphere by 36%. The request numbers, however, do not include humanitarian assistance, which may alter the regional breakdown once allocated.

The FY2018 budget request would continue to emphasize strategic allies in the Middle East (Israel, Egypt, and Jordan) and major global health and development partners in Africa. Ukraine and Pakistan, both among the top 10 recipients in FY2016, would not be among the top 10 aid recipients under the FY2018 request. Iraq would rejoin the top-10 list, even while receiving less assistance than in FY2016. Among top aid recipients, most would receive less assistance than they were allocated in FY2016. A few countries would receive more aid under the FY2018 proposal than in FY2016, including Botswana, Cote D'Ivoire, Lesotho, Namibia, Swaziland, Libya, and Syria.

**Table 5** compares country allocations for the top 10 aid recipients in FY2016 to those who would be top recipients under the FY2018 request.

**Table 5. Top Recipients of U.S. Foreign Assistance, FY2016 and FY2018 Request**  
(millions)

FY2016		FY2018 Req.	
1. Israel	3,100.0	1. Israel	3,100.0
2. Egypt	1,456.3	2. Egypt	1,381.3
3. Jordan	1,275.0	3. Jordan	1,000.0
4. Afghanistan	1,036.4	4. Afghanistan	782.8
5. Ukraine	659.2	5. Kenya	639.4
6. Pakistan	632.2	6. Tanzania	535.3
7. Kenya	631.1	7. Nigeria	419.1
8. Tanzania	587.0	8. Uganda	436.4
9. Nigeria	578.0	9. Zambia	428.9
10. Ethiopia	516.1	10. Iraq	347.9

**Source:** Data for both **Figure 1** and **Table 5** are from FY2018 budget roll-out documents provided by the State Department. Does not include administrative funds, MCC, humanitarian assistance, or food aid.

The House committee bill does not provide comprehensive information on regional and country allocations, but it does provide specific allocations for certain countries, including Israel (\$3.10 billion), Egypt (\$1.457 billion), Jordan (\$1.28 billion), and Colombia (\$336 million). The bill also provides \$615 million for the U.S. Strategy for Engagement in Central America.

## Key Foreign Operations Issues

The Trump Administration is seeking several changes within the context of the FY2018 Foreign Operations budget. They include consolidating some bilateral foreign assistance programs, eliminating some programs/entities, and zeroing out funding for the P.L. 480 and McGovern-Dole foreign food aid programs.

## Economic Support and Development Fund

Under bilateral economic assistance, the Administration has proposed to eliminate the Development Assistance (DA), Economic Support Fund (ESF), Assistance to Europe, Eurasia, and Central Asia (AEECA), and Democracy Fund (DF)<sup>24</sup> accounts and replace them with a new Economic Support and Development Fund (ESDF) account. The Administration cites “improved ability to assess, prioritize and target development-related activities in the context of broader U.S. strategic objectives”<sup>25</sup> as the reason for consolidation. Authorization language to clarify the authorities under which the new account would operate was not requested.

The proposed funding level for ESDF, \$4.938 billion, is more than 40% below the FY2017 funding for the accounts it would replace. Thirty-eight countries that received DA, ESF, or

<sup>24</sup> Administrations typically do not request funding for the Democracy Fund, explaining that democracy promotion activities are authorized under the DA and ESF accounts and an additional account is not needed.

<sup>25</sup> Congressional Budget Justification (CBJ), Department of State, Foreign Operations & Related Programs, FY2018, p.273.



AEECA in FY2016 would no longer receive funding from these accounts or from ESDF under the FY2018 request.

The International Organizations & Programs (IO&P) account, which funds U.S. voluntary contributions to many U.N. entities, including UNICEF, U.N. Development Program, and U.N. Women, would also be zeroed out. Budget documents suggest that some unspecified activities currently funded through IO&P could receive funding through the ESDF.

The House committee bill maintains the ESF, DA, AEECA, and DF accounts, rejecting the proposed merger into an ESDF account and noting that the management review currently underway within the State Department and USAID should inform future account changes. The bill does not include funding for the IO&P account, but the committee notes that a contribution to UNICEF may be made through the Global Health Programs account.

### **Proposed Agency Eliminations**

The FY2018 request proposed the elimination of the following entities funded through foreign operations line items:

- Inter-America Foundation
- U.S.-Africa Development Foundation
- Overseas Private Investment Corporation (OPIC)
- Trade and Development Agency (TDA)

The Administration justifies the proposed eliminations on the basis of fiscal responsibility and prioritizing security investments. In each of these cases, funds are requested only for the orderly close-out of activities in FY2018.

The House committee bill does not propose the elimination of any of these agencies.

### **Possible Impact on Key Sectors**

Unlike previous administrations, the Trump Administration did not identify specific initiatives in its foreign assistance budget request. Rather, the request cited “priority areas” around which the budget request was formulated, including advancing U.S. national security, asserting U.S. leadership, fostering U.S. economic interests, and ensuring accountability to U.S. taxpayers. Despite this stated priority framework, aid sectors that have long made up the bulk of U.S. foreign assistance would continue to do so. Foreign assistance in the global health, humanitarian, and security sectors together would comprise about 70% of the foreign aid budget request for FY2018, compared to 67% of FY2017 enacted funding.

#### ***Global Health***

The Administration requested \$6.48 billion for global health programs in FY2018, a 26% reduction from the FY2017 funding level of \$8.72 billion, and authority to redirect \$322.5 million in prior year Ebola emergency funds to malaria and health security activities in FY2018. Every health subcategory would be reduced from the FY2017 enacted level:

**HIV/AIDS** (\$4,975 million, -17%). The request would eliminate funding implemented by USAID and provide \$1.1 billion to the Global Fund.

**Maternal & Child Health** (\$749.6 million, -8%). The request was level with FY2016 funding.

**Malaria** (\$424 million, -44%). The requested reprogramming of prior year Ebola funding would bring malaria funding to FY2016 levels.

**Tuberculosis** (\$178.4 million, -26%).

**Family Planning and Reproductive Health** (\$0, -100%). The request would eliminate assistance for family planning and reproductive health services (\$524 million in FY2017).

**Nutrition** (\$78.5 million, -37%).

**Other.** The request specifies no funding allocation for vulnerable children (\$23 million in FY2017) or for neglected tropical diseases (\$100 million in FY2017), and would reduce funding for pandemic/emerging health threats by 47% from the FY2017 enacted level (though seeking to use \$72.5 million in previously authorized Ebola funds for unspecified health security activities).

Overall, the Administration explains the reduction in global health aid as reflecting an effort to realign all foreign assistance with U.S. national security goals and to encourage other donors and partner countries to devote greater resources and political commitment to global health efforts.<sup>26</sup>

The House committee bill includes \$8.321 billion for global health, which is 4.6% less than the FY2017 enacted funding level and 28.4% higher than the Administration’s request. It would continue funding for most health subsectors at a level similar to FY2017. The primary exception is reproductive health and family planning, for which the bill does not specify a GHP allocation but specifies in general provisions that no more than \$461 million in the bill (including from other accounts) may be used for reproductive health and family planning, about 20% less than funding for this purpose in FY2017. The House committee bill would also reduce funding for global health security, compared to FY2017, and does not specify a funding level for neglected tropical diseases. The bill authorizes the requested reprogramming of previously appropriated Ebola emergency funds for malaria and global health security programs.

### Humanitarian Assistance

The Trump Administration’s FY2018 budget request for humanitarian assistance totals \$5.25 billion, which is roughly 44% less than the FY2017 appropriated amount (\$9.30 billion—a record high) and about 20% of the total FY2018 foreign aid request. Humanitarian response to the Syria and Iraq crises and the threat of famines in Yemen, East Africa, and Nigeria would be priorities.

**Table 6. Humanitarian Assistance by Account, FY2017 Enacted and FY2018 Request**

(in millions of current U.S. dollars)

Account	FY2017 Enacted	FY2018 Request	% change, FY17-FY18	FY2018 House (H.R. 3362)
International Disaster Assistance	4,427.8	2,508.2	-43.4%	2,821.7
Migration and Refugee Assistance	3,359.0	2,746.2	-18.2%	3,109.0
Emergency Refugee and Migration Assistance	50.0	0.0	-100.0%	0.0
P.L. 480, Title II	1,466.0	0.0	-100.0%	1,400.0
Total	9,302.8	5,254.4	-43.5%	7,330.7

**Source:** P.L. 114-254, P.L. 115-31; FY2018 budget documents.

**Notes:** The FY2017 appropriations specified that \$300 million in IDA funds were to be transferred to the P.L. 480, Title II account, making the IDA allocation \$4,127.8 million and P.L. 480 Title II funding \$1,650.0 million.

<sup>26</sup> CBJ, p. 243.



The request includes humanitarian assistance in only two accounts: \$2.746 billion for the Migration and Refugee Assistance (MRA) account and \$2.508 billion for the International Disaster Assistance (IDA) account. It provides zero funding for the Food for Peace (P.L. 480, Title II) and Emergency Refugee and Migration Assistance (ERMA) accounts. The request also includes broad OCO transfer authority (see **Table 6**).

Compared to the FY2017 appropriated amounts, the FY2018 request would decrease MRA by 18% and IDA by about 43% (39% when a required transfer of funds from IDA to P.L. 480, Title II is accounted for). State Department officials have indicated that they expect significant carry-over of previously appropriated funds into FY2018 due to the increased allocations and late enactment of the FY2017 appropriations. They have also suggested that the proposed funding reduction assumes that other donors will shoulder an increased share of the overall humanitarian assistance burden worldwide. The request continues a trend of annual humanitarian assistance requests being consistently and significantly lower than prior year appropriations.

**P.L. 480, Title II.** The FY2018 request provides no funding for the P.L. 480 Title II (Food for Peace) account funded through the Agriculture appropriation, which provides in-kind food aid from U.S. farmers. Instead, the request allocates \$1.1 billion within the IDA account for emergency food assistance. Funding food aid entirely through IDA, many believe, could improve program efficiency and flexibility by avoiding the commodity purchase and cargo preference requirements applied to P.L. 480. However, with P.L. 480 Title II funded at \$1.766 billion in FY2017 (including the \$300 million transfer from IDA), the \$1.1 billion earmark for emergency food assistance within IDA for FY2018 would be a cut of about 38%.

The House committee bill includes \$5,931 million in humanitarian accounts, 24% less than the FY2017 enacted level and 13% more than the Administration's request. Like the request, the House committee bill did not include funding for the ERMA account. However, the House agriculture appropriations committee bill, H.R. 3268, disregarded the requested eliminate of the P.L. 480 Title II account, proposing a funding level of \$1.4 billion for FY2018. Including P.L. 480, House committee legislation provides \$7.33 billion for humanitarian aid, which is 21% less than FY2017 funding and almost 40% more than the Administration's request.

### ***Security Assistance***

The FY2018 security assistance request totals \$7.093 billion, a 24% reduction from the FY2017 enacted funding level and about 26% of the total foreign aid request. The International Narcotics Control and Law Enforcement (INCLE) account would be reduced by 33%; Non-proliferation, Antiterrorism, Demining and Related (NADR) by 30%; and International Military Education and Training (IMET) by about 9%. In each of these cases, the Administration describes the proposed reductions as concentrating resources where they offer the most value and U.S. national security impact.

The Foreign Military Financing (FMF) account would be reduced by 19% compared to FY2017 enacted funding, with 95% of the request allocated to four countries: Israel (\$3.1 billion), Egypt (\$1.3 billion), Jordan (\$350 million), and Pakistan (\$100 million). These countries comprised 85% of FMF funding in FY2016. The remaining \$200.7 million would be for a global account to be allocated as necessary, on a grant or loan basis, to meet pressing security challenges. It is unclear what the terms of any FMF loans would be. This approach provides the department with additional flexibility and could potentially greatly reduce the number of countries receiving FMF assistance (from 56 in FY2016).

The Peacekeeping Operations (PKO) account, which is primarily used to support a U.N. logistical support operation in Somalia as well as U.S. training and equipment for African militaries, would

see the biggest reduction under the request, down 54% from FY2017 enacted funding, though the figure is distorted by funds for the U.N. Support Office in Somalia (\$474 million in FY2017) being requested through the Contributions to International Peacekeeping Activities (CIPA) rather than PKO account, which happens every year. No funds were requested for the African Peacekeeping Rapid Response Partnership and the Security Governance Initiative (which totaled \$114 million in FY2017), but PKO-funded counterterrorism assistance to African countries would nonetheless increase under the proposal.

The House committee bill would provide \$8.756 billion in security assistance accounts, which is about 7% less than the FY2017 appropriation and 23% more than the Administration's request. Every account would see cuts from the FY2017 funding level. In contrast with the Administration's request, which specified FMF allocations to four countries, the House committee bill specifies the allocation of FMF funding to 21 countries and three regional funds, and does not include the requested authority for FMF loan assistance on a global basis.

### ***Proposed Funding Changes by Select Objectives and Program Areas***

Foreign assistance is categorized in the Congressional Budget Justification by the objectives and program areas of the Foreign Assistance Framework, which identifies funding by purpose across multiple foreign aid accounts. Funding for most of these program areas would be cut under the FY2018 budget proposal compared to the FY2016 funding. Select examples of possible interest to Congress, listed in the order they appear in the Framework, include the following:

- Counterterrorism, \$315.4 million (-28%)
- Counternarcotics, \$373.9 million (-21%)
- Rule of Law & Human Rights, \$429.9 million (-46%)
- Basic Education, \$377.9 million (-46%),
- Trade & Investment, 113.7 million (-29%)
- Agriculture, \$499.8 million (-51%)
- Environment, \$185.3 million (-89%)
- Disaster Readiness, \$120.3 million (-62%)

For three program areas, requested FY2018 funding would exceed FY2016 levels:

- Conflict Mitigation & Reconciliation, \$631.7 million (+46%)
- Maternal and Child Health, \$839.6 million (+5%)<sup>27</sup>
- Program Design & Learning, \$1.0 million (+100%)

The House committee bill did not detail its foreign assistance proposal in accordance with the Foreign Assistance Framework categories, but did specify funding levels for several aid categories that are comparable to categories in the framework, including Counterterrorism (\$358.5 million), Basic Education (\$800.0 million), Food Security and Agricultural Development (\$1,000.6 million), and Maternal and Child Health (\$814.5 million).

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<sup>27</sup> This differs slightly from the Maternal & Child Health allocations discussed in the global health section of this memo because the objective includes some funding outside of the Global Health Programs account.

## Appendix A. SFOPS Appropriations, FY2016-FY2018

**Table A-I. State Department, Foreign Operations, and Related Agencies Appropriations, FY2016 Actual and FY2017 Enacted and FY2018 Request and Congressional Action**

(in millions of current U.S. dollars)

	FY2016 Actual				FY2017 Enacted (P.L. 114-254+P.L. 115-31)				% change FY2018 request total compared to FY2017 enacted total	FY2018 House Committee (H.R. 3362)		
	Total	Supp.	Enduring	OCO	Total	Enduring	OCO	Total		Enduring	OCO	Total
Title I. State, Broadcasting & Related Agencies, TOTAL	16,470.15	1,709.31	11,218.22	5,159.79	18,086.32	9,134.44	4,067.53	13,201.97	-27.0%	11,337.08	4,178.00	15,515.08
Administration of Foreign Affairs, Subtotal	11,439.23	1,709.31	8,238.68	3,704.09	13,652.08	7,031.58	3,044.07	10,075.65	-26.2%	8,609.04	3,115.85	11,724.89
Diplomatic & Consular Program	8,184.72	1,052.40	6,147.25	2,410.39	9,610.04	5,283.79	2,975.97	8,259.76	-14.1%	5,449.29	2,975.97	8,425.26
(of which Worldwide Security Protection)	[3,395.10]	[927.19]	[1,899.48]	[1,815.21]	[4,641.88]	[1,380.75]	[2,376.12]	[3,756.87]	[-19.1%]	[1,380.75]	[2,376.12]	[3,756.87]
Capital Investment Fund	66.40	—	12.60	—	12.60	15.00	—	15.00	+19.1%	15.00	—	15.00

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>			<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>			
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>		<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
Embassy Security, Construction & Maintenance	2,221.75	654.41	1,117.86	1,238.80	3,011.07	1,142.20	—	1,142.20	-62.1%	2,242.70	71.78	2,314.48
(of which Worldwide Security Upgrades)	[688.80]	—	[358.70]	—	[358.70]	[387.74]	—	[387.74]	[+8.1%]	[1,488.24]	—	[1,488.24]
Ed. & Cultural Exchanges	590.90	—	634.14	—	634.14	285.00	—	285.00	-55.1%	590.90	—	590.90
Office of Inspector General	139.30	2.50	87.07	54.90	144.47	72.56	68.10	140.66	-2.6%	73.87	68.10	141.97
Representation Expenses	—	—	8.03	—	8.03	7.00	—	7.00	-12.8%	7.00	—	7.00
Protection of Foreign Missions & Officials	—	—	30.34	—	30.34	30.89	—	30.89	+1.8%	30.89	—	30.89
Emergency-Diplomatic & Consular Services	—	—	7.90	—	7.90	7.89	—	7.89	-0.1%	7.89	—	7.89
Repatriation Loans	—	—	1.30	—	1.30	1.30	—	1.30	—	1.30	—	1.30

	FY2016 Actual				FY2017 Enacted (P.L. 114-254+P.L. 115-31)				FY2018 Request				% change FY2018 request total compared to FY2017 enacted total	FY2018 House Committee (H.R. 3362)		
	Total	Supp.	Enduring	OCO	Total	Enduring	OCO	Total	Enduring	OCO	Total	Enduring		OCO	Total	
Payment American Institute Taiwan	—	—	31.96	—	31.96	26.31	—	26.31	-17.7%	30.56	—	30.56				
International Chancery Center	0.74	—	1.32	—	1.32	0.74	—	0.74	-43.9%	0.74	—	0.74				
Foreign Service Retirement (mandatory) <sup>a</sup>	158.90	—	158.90	—	158.90	158.90	—	158.90	—	158.90	—	158.90				
International Orgs, Subtotal	3,906.85	0.00	1,815.87	1,450.90	3,266.77	1,169.08	1,023.46	2,192.54	-32.9%	1,604.56	1,062.15	2,666.7				
Contributions to Int'l Orgs	1,446.19	—	1,262.97	96.24	1,359.21	900.19	96.24	996.43	-26.7%	1,074.65	96.24	1,170.89				
Contributions, International Peacekeeping	2,460.66	—	552.90	1,354.66	1,907.56	268.89	927.22	1,196.11	-37.3%	529.91	965.91	1,495.82				
International Commission subtotal (Function 300)	122.72	0.00	127.29	0.00	127.29	118.70	—	118.70	-6.7%	119.01	—	119.01				
Int'l Boundary/U.S.-Mexico	73.77	—	77.53	—	77.53	72.65	—	72.65	-6.3%	72.65	—	72.65				
American Sections	12.33	—	12.26	—	12.26	12.18	—	12.18	-0.7%	12.18	—	12.18				

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
International Fisheries	36.68	—	37.50	—	37.50	33.87	—	33.87	-9.7%	34.18	—	34.18
International Broadcast, Subtotal	749.59	0.00	781.81	4.80	785.61	685.15	—	685.15	-12.8%	769.73	—	769.73
Broadcasting Operations	744.79	—	772.11	4.80	776.91	680.36	—	680.36	-12.4%	764.94	—	764.94
Capital Improvements	4.80	—	9.70	—	9.7	4.79	—	4.79	-50.6%	4.79	—	4.79
Related Approps, Subtotal	239.51	—	242.10	—	242.10	122.85	—	122.85	-49.3%	221.48	—	221.48
Asia Foundation	17.00	—	17.00	—	17.00	—	—	—	—	15.81	—	15.81
U.S. Institute of Peace	35.30	—	37.88	—	37.88	19.12	—	19.12	-49.5%	35.30	—	35.30
Center for Middle East-West Dialogue-Trust & Program	0.10	—	0.12	—	0.12	0.14	—	0.14	+16.7%	0.14	—	0.14
Eisenhower Exchange Programs	0.40	—	0.35	—	0.35	0.16	—	0.16	-54.3%	0.16	—	0.16
Israeli Arab Scholarship Program	0.01	—	0.05	—	0.05	0.07	—	0.07	+40.0%	0.07	—	0.07

	FY2016 Actual				FY2017 Enacted (P.L. 114-254+P.L. 115-31)				FY2018 Request				% change FY2018 request total compared to FY2017 enacted total	FY2018 House Committee (H.R. 3362)		
	Total	Supp.	Enduring	OCO	Total	Enduring	OCO	Total	Enduring	OCO	Total	Enduring		OCO	Total	
East-West Center	16.70	—	16.70	—	16.70	—	—	—	—	—	—	—	—	—		
National Endowment for Democracy	170.00	—	170.00	—	170.00	103.50	—	103.50	-39.1%	170.00	—	170.00	—	170.00		
Other Commissions, Subtotal	12.26	—	12.47	0.00	12.47	7.08	—	7.08	-43.2%	13.26	—	13.26	—	13.26		
Preservation of America's Heritage Abroad	0.68	—	0.89	—	0.89	0.68	—	0.68	-24%	0.68	—	0.68	—	0.68		
International Religious Freedom	3.50	—	3.50	—	3.50	4.50	—	4.50	+28.6%	4.50	—	4.50	—	4.50		
Security & Cooperation in Europe	2.58	—	2.58	—	2.58	2.58	—	2.58	—	2.58	—	2.58	—	2.58		
Congressional-Exec Commission on People's Republic of China	2.00	—	2.00	—	2.00	2.00	—	2.00	—	2.00	—	2.00	—	2.00		
U.S.-China Economic and Security Review	3.50	—	3.50	—	3.50	3.50	—	3.50	—	3.50	—	3.50	—	3.50		

	<b>FY2016</b>	<b>FY17 Enacted</b>				<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee</b>		
	<b>Actual</b>	<b>(P.L. 114-254+P.L. 115-31)</b>									<b>(H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	
<b>FOREIGN OPERATION, TOTAL</b>	36,363.76	2,590.69	25,526.67	11,325.21	39,442.57	19,099.52	7,949.93	27,049.45	-31.4%	25,461.75	7,997.91	33,459.66	
Title II. Admin of Foreign Assistance	1,517.18	32.50	1,447.19	152.08	1,631.77	1,272.77	139.06	1,411.83	-13.5%	1,377.89	139.06	1,516.95	
USAID Operating Expenses	1,282.88	5.00	1,204.61	152.08	1,361.69	1,045.79	136.56	1,182.33	-13.2%	1,133.91	136.56	1,270.47	
USAID Capital Investment Fund	168.30	25.00	—	—	199.99	157.98	—	157.98	-21.0%	174.99	—	174.99	
USAID Inspector General	66.00	2.50	—	—	70.10	69.00	2.50	71.50	+2.0%	69.00	2.50	71.50	
<b>Title III. Bilateral Economic Assistance</b>	24,078.90	2,153.89	16,138.70	8,619.34	26,911.93	11,391.05	6,619.68	18,010.73	-33.1%	16,246.13	6,435.11	22,681.24	
Global Health Programs (GHP), State + USAID	8,503.45	—	8,724.95	—	8,724.95	6,480.50	—	6,480.50	-25.7%	8,321.00	—	8,321.00	
GHP (State Dept.)	[5,670.00]	—	[5,670.00]	—	[5,670.00]	[4,975.00]	—	[4,975.00]	[-12.4%]	[5,670.00]	—	[5,670.00]	
GHP (USAID)	[2,833.45]	—	[3,054.95]	—	[3,054.95]	[1,505.50]	—	[1,505.50]	[-50.7%]	[2,651.00]	—	[2,651.00]	
Development Assistance	2,780.97	—	2,995.47	—	2,995.47	—	—	—	—	2,780.97	—	2,780.97	



	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
International Disaster Assistance (IDA)	2,794.18	616.10	498.48	3,313.20	4,427.78 <sup>b</sup>	690.26	1,817.94	2,508.20	-43.4%	1,033.48	1,788.20	2,821.68
Transition Initiatives	67.00	50.23	35.60	37.00	122.83	30.00	62.04	92.04	-25.1%	30.00	62.04	92.04
Complex Crises Fund	30.00	—	10.00	20.00	30.00	—	—	—	—	—	—	—
Development Credit Authority—Admin	8.12	—	10.00	—	10.00	9.12	—	9.12	-8.8%	9.12	—	9.12
Development Credit Authority Subsidy	[40.00]	—	[50.00]	—	[50.00]	[60.00]	—	[60.00]	[+20.0%]	[50.00]	—	[50.00]
Economic Support Fund	4,318.99	1,030.56	1,041.76	2,609.24	4,681.56	—	—	—	—	1,041.76	2,353.67	3,395.43
Economic Support and Development Fund	—	—	—	—	—	2,229.35	2,708.80	4,938.15	—	—	—	—
Democracy Fund	150.50	—	210.50	—	210.50	—	—	—	—	210.50	—	210.50
Assistance for Europe, Eurasia and Central Asia	929.69	157.00	291.64	453.70	902.34	—	—	—	—	691.57	—	691.57

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
Migration & Refugee Assistance	3,059.00	300.00	912.80	2,146.20	3,359.00	715.24	2,030.90	2,746.14	-18.2%	877.80	2,231.20	3,109.00
Emergency Refugee and Migration	50.00	—	10.00	40.00	50.00	—	—	—	—	—	—	—
Independent Agencies subtotal	1,363.50		1,367.50	0.00	1,367.50	1,211.12	—	1,211.12	-11.4%	1,224.47	—	1,224.47
Inter-American Foundation	22.50	—	22.50	—	22.50	4.57	—	4.57	-79.7%	11.25	—	11.25
African Development Foundation	30.00	—	30.00	—	30.00	8.33	—	8.33	-72.2%	15.00	—	15.00
Peace Corps	410.00	—	410.00	—	410.00	398.22	—	398.22	-2.9%	398.22	—	398.22
Millennium Challenge Corporation	901.00	—	905.00	—	905.00	800.00	—	800.00	-11.6%	800.00	—	800.00
Department of Treasury, subtotal	23.50	—	30.00	0.00	30.00	25.46	—	25.46	-15.1%	25.46	—	25.46
Treasury Department Technical Assistance	23.50	—	30.00	—	30.00	25.46	—	25.46	-15.1%	25.46	—	25.46

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
<b>Title IV. Int'l Security Assistance</b>	8,886.39	404.30	6,421.51	2,553.79	9,379.60	5,901.49	1,191.19	7,092.68	-24.4%	7,332.07	1,423.74	8,755.81
International Narcotics Control & Law Enforcement	1,266.47	26.30	889.66	412.26	1,328.22	695.55	196.25	891.80	-32.9%	848.14	417.95	1,266.09
Nonproliferation, Anti-Terrorism, Demining	885.47	128.00	500.70	341.75	970.45	312.77	365.84	678.61	-30.1%	617.81	220.58	838.45
International Military Education & Training	108.12	—	110.30	—	110.30	100.16	—	100.16	-9.2%	105.16	—	105.16
Foreign Military Financing	6,025.70	200.00	4,785.81	1,325.81	6,311.62	4,670.71	450.00	5,120.71	-18.9%	5,625.86	460.00	6,085.86
Peacekeeping Operations	600.63	50.00	135.04	473.97	659.01	122.30	179.10	301.40	-54.3%	135.04	325.21	460.25
<b>Title V. Multilateral Assistance</b>	2,619.25	—	2,109.57	0.00	2,109.57	1,480.51	—	1,480.51	-29.8%	877.86	—	877.86
World Bank: Global Environment Facility	168.26	—	146.56	—	146.56	102.38	—	102.38	-30.1%	—	—	—

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>			<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>			
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>		<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
International Clean Technology Fund	170.68	—	—	—	—	—	—	—	—	—	—	—
Strategic Climate Fund	49.90	—	—	—	—	—	—	—	—	—	—	—
Green Climate Fund	—	—	—	—	—	—	—	—	—	—	—	—
North American Development Bank	10.00	—	—	—	—	—	—	—	—	—	—	—
World Bank: Int'l. Development Association	1,197.13	—	1,197.13	—	1,197.13	1,097.01	—	1,097.01	-8.4%	658.66	—	658.66
Int. Bank Recon & Dev	186.96	—	5.96	—	5.96	—	—	—	—	—	—	—
Inter-Amer. Dev. Bank—capital	102.02	—	21.94	—	21.94	—	—	—	—	—	—	—
IADB: Enterprise for Americas MIF	—	—	—	—	—	—	—	—	—	—	—	—
Asian Development Fund	104.98	—	99.23	—	99.23	—	—	—	—	—	—	—

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>			<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>			
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>		<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
Asian Development Bank—capital	5.61	—	—	—	—	47.40	—	47.40	—	47.40	—	47.40
African Development Fund	175.67	—	214.33	—	214.33	171.30	—	171.30	-20.1%	109.39	—	109.39
African Development Bank—capital	34.12	—	32.42	—	32.42	32.42	—	32.42	—	32.42	—	32.42
International Fund for Agricultural Development	31.93	—	30.00	—	30.00	30.00	—	30.00	—	30.00	—	30.00
Global Agriculture and Food Security Program	43.00	—	23.00	—	23.00	—	—	—	—	—	—	—
International Organizations & Programs	339.00	—	339.00	—	339.00	—	—	—	—	—	—	—
Central American and Caribbean Catastrophic Risk Insurance Facility	—	—	—	—	—	—	—	—	—	—	—	—

	<b>FY2016 Actual</b>	<b>FY17 Enacted (P.L. 114-254+P.L. 115-31)</b>			<b>FY2018 Request</b>				<b>% change FY2018 request total compared to FY2017 enacted total</b>	<b>FY2018 House Committee (H.R. 3362)</b>		
	<b>Total</b>	<b>Supp.</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>	<b>Enduring</b>	<b>OCO</b>	<b>Total</b>		<b>Enduring</b>	<b>OCO</b>	<b>Total</b>
Global Infrastructure Facility	—	—	—	—	—	—	—	—	—	—	—	—
Title VI. Export Assistance	(737.96)	—	(590.30)	0.00	(590.30)	(946.30)	—	(946.30)	—	(372.20)	—	(372.20)
Export-Import Bank (net)	(527.75)	—	(414.30)	—	(414.30)	(652.20)	—	(652.20)	—	(163.50)	—	(163.50)
Overseas Private Investment Corporation (net)	(270.21)	—	(251.00)	—	(251.00)	(306.20)	—	(306.20)	—	(279.20)	—	(279.20)
Trade & Development Agency	60.00	—	75.00	—	75.00	12.11	—	12.11	-83.9%	70.50	—	70.50
State, Foreign Ops & related Programs, TOTAL	52,833.90	4,300.00	36,744.89	16,485.00	57,529.89	28,233.96	12,017.46	40,251.42	-30.0%	36,798.83	12,175.91	48,974.74
Add Ons/ Rescissions, net <sup>c</sup>	58.09									(1,294.91)	(156.91)	(1,451.82)
State-Foreign Ops Total, Net of Rescissions	52,891.99	4,300.00 <sup>d</sup>	36,744.89	16,485.00	57,529.89	28,233.96	12,017.46	40,251.42	-30.0%	35,503.92	12,019.00	47,522.92

**Source:** Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Fiscal Year 2018; P.L. 114-254 and P.L. 115-31; H.R. 3362 and H.Rept. 115-253; and CRS calculations.

**Notes:** Shaded columns indicate fiscal year totals. Figures in brackets are subsumed in the larger account above and are not counted against the total. Figures in parentheses are negative numbers. “Enduring” funding is also sometimes referred to as “base” or “ongoing” funding in budget documents. Numbers may not add due to rounding.

- a. This account is mandatory spending, so State Operations and SFOPS totals in this table differ from budget totals in the International Affairs Congressional Budget Justification that include only discretionary spending.
- b. Of this amount, the bill specifies that no less than \$300 million must be transferred to the P.L. 480 Title II (Food for Peace) account and \$1.5 million for USAID Operating Expenses.
- c. FY2016 rescission is from the Export-Import Bank account. FY2018 House rescissions are of unobligated balances: \$29.9 million for Development Assistance, \$10.0 million for North American Development Bank, \$165.0 million for Export-Import Bank, and \$1,090.0 million for Advanced Technology Vehicles Manufacturing Loan Program Account.
- d. Totals for P.L. 114-254 are from the CBO report on the legislation, available at <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/hr2028.pdf>.

## Appendix B. International Affairs Budget

The International Affairs budget, or Function 150, includes funding that is not in the Department of State, Foreign Operations, and Related Programs appropriation: foreign food aid programs (P.L. 480 Title II Food for Peace and McGovern-Dole International Food for Education and Child Nutrition programs) are in the Agriculture Appropriations, and the Foreign Claim Settlement Commission and the International Trade Commission are in the Commerce, Justice, Science appropriations. In addition, the Department of State, Foreign Operations, and Related Programs appropriation measure includes funding for certain international commissions that are not part of the International Affairs Function 150 account.

**Table B-1. International Affairs Budget FY2016, FY2017, and FY2018**  
(in millions of current U.S. dollars)

	FY2016 Estimate	FY2017 Enacted	FY2018 Request	% change FY2018 request total compared to FY2017 enacted total	FY2018 House Committee
<b>State-Foreign Operations, excluding commissions<sup>a</sup></b>	52,757.01	57,390.14	40,125.64	-30.1%	47,390.61
<b>Commerce-Justice-Science</b>					
Foreign Claim Settlement Commission	2.37	2.37	2.41	+1.7%	2.37
Int'l Trade Commission	88.84	91.50	87.62	-4.2%	92.50
<b>Agriculture</b>					
P.L. 480	1,716.00	1,466.00	0.00	-100%	1,400.00
McGovern-Dole	201.63	201.63	0.00	-100%	201.62
Local/Regional Procurement	—	—	—	—	—
<b>Total International Affairs (150)</b>	<b>54,765.85</b>	<b>59,151.64</b>	<b>40,215.67</b>	<b>-32.0%</b>	<b>49,087.10</b>

**Source:** Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Fiscal Years 2017 and 2018; P.L. 114-254; P.L. 115-31; H.R. 3362; H.R. 3268; and CRS calculations.

- a. Includes mandatory spending from the Foreign Service retirement account, and does not align with budget justification figures that only count discretionary spending. Funding for certain international commissions appropriated in the State-Foreign Operations bill are excluded here because they fall under function 300 of the budget, not function 150 (International Affairs).



## Appendix C. Glossary

<b>AEECA</b>	Assistance to Europe, Eurasia and Central Asia
<b>BBA</b>	Bipartisan Budget Act of 2015, P.L. 114-74
<b>BCA</b>	Budget Control Act of 2011, P.L. 112-25
<b>CIO</b>	Contributions to International Organizations
<b>CIPA</b>	Contributions to International Peacekeeping Activities
<b>CSCS</b>	Capital Security Cost Sharing
<b>D&amp;CP</b>	Diplomatic and Consular Programs
<b>DA</b>	Development Assistance
<b>DS</b>	State Department Bureau of Diplomatic Security
<b>ERMA</b>	Emergency Refugee and Migration Assistance
<b>ESCM</b>	Embassy Security, Construction and Maintenance
<b>ESDF</b>	Economic Support and Development Fund
<b>ESF</b>	Economic Support Fund
<b>FMF</b>	Foreign Military Financing
<b>IDA</b>	International Disaster Assistance
<b>IMET</b>	International Military Education and Training
<b>INCLE</b>	International Narcotics Control and Law Enforcement
<b>IO&amp;P</b>	International Organizations and Programs
<b>MCS</b>	Maintenance Cost Sharing
<b>MRA</b>	Migration and Refugee Assistance
<b>NADR</b>	Non-proliferation, Antiterrorism, Demining and Related
<b>OBO</b>	State Department Bureau of Overseas Building Operations
<b>OCO</b>	Overseas Contingency Operations
<b>OPIC</b>	Overseas Private Investment Corporation
<b>PKO</b>	Peacekeeping Operations
<b>SFOPS</b>	State, Foreign Operations, and Related Programs appropriations
<b>TDA</b>	Trade and Development Agency
<b>USAID</b>	U.S. Agency for International Development
<b>WSP</b>	Worldwide Security Protection
<b>WSU</b>	Worldwide Security Upgrade

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