

INTERNATIONAL AFFAIRS BUDGET: STATE OF PLAY

Finalizing FY23 Spending

Two days before Christmas, Congress approved a 12-bill FY23 omnibus spending package, along with additional security, economic, and humanitarian emergency assistance for Ukraine. The spending package provides a **6% increase** for the non-emergency International Affairs Budget compared to the FY22 enacted level – the **largest increase in core funding in six years** at a time when global threats are on the rise. At the same time, this increase comes on the heels of six years of largely flat funding for the non-emergency International Affairs Budget.

International Affairs Budget Snapshot

FY22 Enacted*	FY23 Request**	FY23 House	FY23 Senate***	FY23 Enacted^
\$58.0 billion	\$68.2 billion	\$66.6 billion	\$66.5 billion	\$61.7 billion

**Excludes \$29.3 billion in primarily Ukraine and Afghanistan-related emergency funding.*

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

****Excludes \$950 million in FY23 emergency funding for pandemic preparedness and \$5 billion in FY22 emergency funding for the global COVID-19 response.*

^Excludes \$4.5 billion in FY23 emergency funding for Ukraine included in the September 2022 Continuing Resolution and \$16.6 billion included in the FY23 Omnibus primarily for Ukraine.

FY24 Budget and Appropriations Process

With the annual FY23 spending bills complete, Congress begins 2023 with its full attention on the FY24 budget and appropriations process. However, the Administration has indicated that its FY24 budget request could be delayed by as much as a month – pushing back the official start of the Congressional appropriations process.

In a divided government, gridlock is expected to reach new heights – which means reaching a bipartisan deal on FY24 spending will likely prove extremely difficult. Notably, newly minted House Speaker Kevin McCarthy (R-CA) has vowed to cap overall spending at FY22 enacted levels, which would require a \$131 billion (8%) overall reduction to discretionary spending. If defense discretionary spending were to be spared and the cut taken entirely from non-defense discretionary (NDD) programs, NDD spending would face an 18% cut.