

House Appropriations Committee Approves FY24 State-Foreign Operations Bill

JULY 13, 2023

On Wednesday, July 12, the House Appropriations Committee (HAC) approved its FY24 State-Foreign Operations (SFOPS) Appropriations bill on a party-line vote of 32-27. As previously [mentioned](#), the bill **provides \$52.5 billion for America’s diplomatic and development agencies and programs – a 12% cut** compared to the FY23 non-emergency enacted level.

However, to meet the SFOPS topline funding level – also known as the 302(b) allocation – of \$41.4 billion set by HAC, the bill also includes \$11.1 billion in non-SFOPS rescissions. This highly unusual tactic has provoked opposition from not only Democrats, but also hardline conservative Republicans, albeit for very different reasons. Absent these non-SFOPS rescissions, SFOPS would have to be cut by a further 21% to achieve the \$18.3 billion in savings required under the 302(b) allocation.

Adding in funding for international food assistance provided through the House FY24 Agriculture Appropriations bill and the small amount of funding for international programs provided through the House FY24 Commerce, Justice, and Science Appropriations bill – which has yet to be marked up – **the FY24 International Affairs Budget would receive a total of \$54.4 billion**. This would represent a \$7.2 billion (12%) cut compared to the FY23 enacted level and is \$16.5 billion (23%) below the Administration’s FY24 request.

INTERNATIONAL AFFAIRS BUDGET SNAPSHOT

FY23 Enacted*	FY24 Request**	FY24 House^
\$61.6 billion	\$70.9 billion	\$54.4 billion

**Excludes \$21.1 billion in primarily Ukraine-related emergency funding.*

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

^Assumes the enactment of \$11.1 billion in rescissions of prior-year Environmental Protection Agency (EPA) funding.

During the mark-up, Members offered seven amendments on a variety of issues, including global health, multilateral organizations, and cultural matters. Two amendments were adopted:

- ▶ A manager’s amendment offered by **Chairman Mario Diaz-Balart (R-FL)** to extend the U.S. President’s Plan for Emergency AIDS Relief (PEPFAR) by one year. *Adopted by voice vote.*

- ▶ An amendment offered by **Chairman Diaz-Balart** to provide a \$25 million funding increase to the Consular and Border Security Programs account, offsetting the cost by prohibiting the use of funds to fly or display flags that are not supported on a unanimous bipartisan basis; reaffirms that diversity, equity, and inclusion efforts are politically motivated and undermine national security; and establishes that President Biden cannot enter into any agreements with the World Health Assembly or any other United Nations body without the consent of the Senate. *Adopted by a recorded vote of 32-27.*

Select Highlights

Below are select additional details on programmatic funding levels in the House SFOPS [bill](#) and [report](#). Unless otherwise noted, all comparisons are to FY23 non-emergency enacted levels.

Global Health

As we [reported](#) two weeks ago, the House bill cuts overall funding for Global Health accounts by \$542 million (5%) to \$10.02 billion – \$909 million (8%) less than the Administration’s FY24 request. A few areas to note:

- ▶ It deeply cuts funding for Global Health Security, although the text does not specify the exact level of funding. Defenders of the provision argue that existing FY23 funds that have yet to be obligated are sufficient to cover funding requirements for FY24. However, even if Global Health Security were to be funded with the \$409 million in Global Health funding currently left unallocated by the HAC, funding for the former would fall \$491 million (55%) below the FY23 enacted level.
- ▶ It includes \$2 billion in funding for the U.S. contribution to the Global Fund – consistent with the Administration’s FY24 request and FY23 enacted level.
- ▶ \$4.4 billion is included for Bilateral PEPFAR, \$25 million (1%) higher than the Administration’s FY24 request and consistent with the FY23 enacted level.
- ▶ Funding for Family Planning is cut by \$147 million (24%) in comparison to the FY23 enacted level and by \$216 million (32%) in comparison to the Administration’s FY24 request. The bill also prohibits funding for the United Nations Population Fund (UNFPA) and reinstates the Mexico City Policy, also known as the Global Gag Rule.

GLOBAL HEALTH*

	FY23 Enacted	FY24 Request	FY24 House
Bilateral PEPFAR	\$4.4 billion	\$4.37 billion	\$4.4 billion
Global Fund	\$2 billion	\$2 billion	\$2 billion
USAID HIV/AIDS	\$330 million	\$330 million	\$330 million
Malaria	\$795 million	\$780 million	\$800 million
Tuberculosis	\$395 million	\$359 million	\$395 million
Maternal/Child Health	\$910 million	\$910 million	\$910 million
Vulnerable Children	\$30 million	\$30 million	\$33 million

	FY23 Enacted	FY24 Request	FY24 House
Nutrition	\$160 million	\$160 million	\$173 million
Family Planning*	\$608 million	\$677 million	\$461 million
NTDs	\$115 million	\$115 million	\$115 million
Global Health Security	\$900 million	\$1.25 billion	N/A
Health Resilience Fund	\$8 million	\$10 million	N/A
Global Health Workers Initiative	\$0	\$20 million	N/A
Unallocated	\$0	\$0	\$409 million
Total	\$10.56 billion	\$10.93 billion	\$10.02 billion

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

Development and Economic Assistance

The bill cuts most of the major Development and Economic Assistance accounts. Notably:

- ▶ It includes \$3 billion for Development Assistance, a \$1.4 billion (31%) cut compared to the FY23 enacted level.
- ▶ The Economic Support Fund is cut by a more modest \$323 million (8%). Of this, \$1 billion is set aside for programs focused on countering the malign influence of the People’s Republic of China (PRC) and advancing U.S. national security interests in the Indo-Pacific.
- ▶ The Millennium Challenge Corporation (MCC) and Peace Corps are cut by \$25 million (3%) and \$20 million (5%), respectively.
- ▶ \$356 million is included for the Democracy Fund, \$65 million higher than the Administration’s FY24 request and consistent with the FY23 enacted level.
- ▶ Assistance for Europe, Eurasia, and Central Asia (AEECA) is increased by \$270 million (54%) above the FY23 level but is \$279 million (27%) lower than the Administration’s FY24 request.

DEVELOPMENT AND ECONOMIC ASSISTANCE

	FY23 Enacted*	FY24 Request	FY24 House
Development Assistance (DA)	\$4.37 billion	\$5.43 billion	\$3.0 billion
Economic Support Fund (ESF)	\$4.3 billion	\$5.39 billion	\$3.98 billion**
AEECA	\$500 million	\$1.05 billion	\$770 million

	FY23 Enacted*	FY24 Request	FY24 House
Democracy Fund	\$356 million	\$291 million	\$356 million
MCC	\$930 million	\$1.07 billion	\$905 million
Peace Corps	\$431 million	\$495 million	\$411 million

*Excludes \$17.8 billion in emergency funding for Ukraine, including \$4.5 billion provided in the September 2022 Continuing Resolution and \$13.3 billion provide in the FY23 Omnibus (including \$350 million, unrelated to Ukraine, for other AEECA countries).

**This includes \$1 billion provided in a new budget Title focused on countering China.

Humanitarian Assistance

The bill provides \$6.45 billion for Humanitarian Assistance accounts, a \$364 million (5%) cut compared to the FY23 enacted level and \$2.26 billion (26%) below the Administration’s FY24 request. Notably, the bill zeroes out funding for Emergency Refugees.

HUMANITARIAN ASSISTANCE

	FY23 Enacted*	FY24 Request	FY24 House
Disaster Assistance (IDA)	\$3.91 billion	\$4.7 billion	\$3.91 billion
Refugees (MRA)	\$2.91 billion	\$3.91 billion	\$2.55 billion
Emergency Refugees (ERMA)	\$100,000	\$100 million	\$0
Total	\$6.82 billion	\$8.71 billion	\$6.45 billion

*Excludes \$2.5 billion in emergency funding provided in the FY23 Omnibus for Ukraine, including \$1.55 billion (unrelated to Ukraine) for use globally (\$638 million for disaster assistance and \$915 million for migration and refugees).

Peacekeeping

The bill slashes funding for United Nations (UN) Peacekeeping by \$213 million (14%), while also reducing funding for non-UN Contributions for International Peacekeeping Activities by \$40 million (9%). Furthermore, the funding level for UN Peacekeeping does not meet the 25% statutory cap enforced by Congress or the 26.9% UN-assessed rate, which will result in growing arrears, of which nearly \$1.28 billion have been accrued since FY17.

PEACEKEEPING

	FY23 Enacted	FY24 Request	FY24 House
UN Operations (CIPA)	\$1.48 billion	\$1.94 billion	\$1.27 billion
Non-UN Ops (PKO)	\$461 million	\$420 million	\$420 million
Total	\$1.94 billion	\$2.36 billion	\$1.69 billion

International Development Finance Corporation (DFC)

The DFC receives a total of \$776 million under the bill, \$769 million for administrative and program costs and \$7 million for the agency's Inspector General. This is a \$229 million (23%) cut compared to the FY23 enacted level and \$269 million (26%) below the Administration's FY24 request.

Other Funding and Policy Priorities

- ▶ **Competing with China:** Consistent with the Administration's request, the bill provides \$400 million for the Countering PRC Influence Fund, \$75 million (23%) above the FY23 enacted level. In total, the bill directs \$4.4 billion in international affairs funding towards advancing U.S. interests in the Indo-Pacific region and countering PRC malign influence globally, including \$500 million in Foreign Military Financing (FMF) and up to \$2 billion in new loans and loan guarantees for Taiwan. Furthermore, the bill creates a new title that contains \$1 billion in ESF funding – which is included in the ESF total in the above table – to be focused on countering the PRC.
- ▶ **UN and Other International Organizations:** The House bill makes significant cuts to both U.S. assessed and voluntary contributions to the UN and other international organizations. The former, provided through the Contributions to International Organizations (CIO) account is cut by \$1.2 billion (83%), and leaves no funding for the UN regular budget and most UN specialized agencies, such as the UN Development Programme and World Health Organization. Funding for the latter, provided through the International Organization and Programs (IO&P) account, is eliminated entirely.
- ▶ **International Financial Institutions (IFIs):** The bill cuts funding for U.S. contributions to the World Bank and other IFIs by \$705 million (31%) and provides no funding for the Green Climate Fund or the Clean Technology Fund.
- ▶ **Food Security:** The bill includes \$1.01 billion to support the Global Food Security Strategy, Feed the Future, and research and development initiatives at USAID. This is consistent with FY23 enacted levels, but \$178 million (15%) lower than the Administration's FY24 request.

What's Next

As of this writing, HAC has completed action on seven of its 12 spending bills up for consideration. SFOPS and other bills may be considered on the floor in July, but no official schedule has been released. The Senate Appropriations Committee (SAC) has completed action on two of its 12 spending bills up for consideration; SAC's SFOPS subcommittee is expected to consider its bill next week.

Despite the agreement made during debt ceiling negotiations by Congress and the Administration on FY24 spending levels, the Republican-controlled House and Democratic-controlled Senate remain far apart on spending levels. House Republicans are contending with their narrow majority and a hardline bloc of conservative Members who are pushing for even deeper spending cuts, further complicating the path to passing spending bills in the House.

Starting on July 31, both chambers are slated to recess for over a month, setting the stage for a contentious September as the end of FY23 approaches. Alongside spending bills, Congress is likely to consider supplemental funding for aid to Ukraine, amongst other matters. If FY24 spending bills are not passed by the end of the fiscal year, Congress will need to consider a Continuing Resolution (CR), which would extend FY23 funding levels for a to-be-determined period of time, to avoid a government shutdown.