

## International Affairs Budget Update

SEPTEMBER 26, 2024

### Congress Approves 12-Week Continuing Resolution, Punts Decisions on FY25 Spending to Lame Duck

In a highly anticipated move, Congress approved a short-term [Continuing Resolution \(CR\)](#) to extend government funding for 12 weeks – punting negotiations on finalizing FY25 spending to the lame duck session after the November elections. The stopgap funding measure passed both the House and Senate on strong bipartisan votes of [341-82](#) and [78-18](#), respectively, and is expected to be signed into law by the President prior to the September 30<sup>th</sup> deadline.

Specifically, the CR extends FY24 funding levels for federal departments and agencies – including for the State Department, USAID, and our other development agencies – through December 20th, the last day of legislative session before the 118th Congress is scheduled to adjourn.

In addition to the funding extension, the CR [extends](#) several important international affairs authorizations that would otherwise expire during the period covered by the CR. Notably:

- ▶ Extends the ability of the State Department, USAID, and other foreign affairs agencies to pay a locality-based payment for Foreign and Civil Service employees while they are serving overseas – preventing a roughly 22% pay cut for approximately 11,000 individuals serving overseas starting on October 1.
- ▶ Extends authorities in the Food for Peace Act that are critical to U.S. efforts to reduce global hunger and malnutrition, and provide life-saving food assistance to the most vulnerable around the world.
- ▶ Extends authorities related to asset and visa sanctions on individuals undermining Hong Kong's autonomy and carrying out human rights abuses in Hong Kong.

However, the CR does not include five other anomalies requested by the Administration, including those that would have:

- ▶ Authorized the State Department to carry out an additional \$8 billion in guaranteed loans above currently authorized levels and relaxed repayment requirements, which would have allowed for increased defense investments to support Ukraine and partners in the Indo-Pacific.
- ▶ Provided the State Department with direct commercial contract authority for Ukraine, which would allow Ukraine to use Foreign Military Financing funding to obtain defense articles and services directly from U.S. industries.
- ▶ Extended, through FY25, \$7.8 billion in Presidential drawdown authority provided in the national security emergency supplemental to ensure the U.S. can provide necessary military assistance to Ukraine and Israel and respond to other global emergencies.
- ▶ Authorized the Millennium Challenge Corporation to obligate funding as necessary to sign and support compacts during the period of the CR to prevent delays.

When Congress returns for its post-election lame duck session, Members will have just five weeks to complete work on several important legislative items – including finalizing FY25 spending. Reaching a bipartisan deal on full-year spending bills will be no easy task given significant differences between Republicans and Democrats on overall spending levels as well as specific funding priorities. When it comes to the [FY25 International Affairs Budget](#), the Senate proposal includes a 6% (\$3.4 billion) increase, while the House makes a steep 12% (-\$7.3 billion) cut from FY24 enacted level.

As the appropriations process moves forward, the USGLC urges Congress to provide no less than the Senate-proposed level of \$63.4 billion for the FY25 International Affairs Budget to ensure America has the necessary tools to meet the urgent needs affecting our security and economic interests.