



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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FOREIGN OPERATIONS APPROPRIATIONS BILL FOR FISCAL YEAR 2005 – H.R. 4818

SUMMARY

The Foreign Operations appropriations bill reported to the House on 13 July 2004 (H.R.4818; H.Rept. 108-599) provides new budget authority equal to the 302(b) suballocation for the Appropriations Subcommittee on Foreign Operations, Export Financing, and Other Programs.

The bill is consistent with the appropriate levels in the budget resolution for fiscal year 2005 (S.Con.Res. 95, as applied in the House of Representatives by H.Res. 649, 108th Congress). Therefore it complies with provisions of the Congressional Budget Act.

COST OF THE LEGISLATION

H.R. 4818 provides \$19.386 billion in new budget authority [BA] and \$26.590 billion in outlays for 2005 – an increase of \$1.823 billion in BA and \$7.410 billion in outlays from fiscal year 2004 (see Table 1 below). As noted, the BA is equal to the subcommittee's 302(b) suballocation. The

growth in outlays includes the flows from from BA enacted in prior years.

Although BA in the bill increases by 10.4 percent from the prior year, it is \$1.933 billion below the President's request.

Table 1: Foreign Operations Appropriations Bill

(fiscal years; millions of dollars)

	2004 Spending ^a	Administration 2005	302 (b) for 2005	Bill
Budget Authority	17,563	21,319	19,386	19,386
Outlays	19,325	26,978	26,735	26,590

^a Does not include \$21.213 billion in BA and \$5.326 billion in outlays included in the fiscal year 2004 Iraq conflict supplemental (Public Law 108-106).

COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of bills in excess of a subcommittee's 302(b) allocation for new budget authority. The second, section 311(a), prohibits consideration of legislation exceeding the aggregate levels of BA and outlays established in the budget resolution.

As noted above, the \$19.386 billion in new discretionary budget authority is equal to the 302(b) allocation to the Operations subcommittee; outlays are \$109 million below the allocation. Because no appropriations bills for fiscal year 2004 have been enacted, there is ample room under the BA ceiling and hence the bill would not violate section 311(a).

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Table 2: Discretionary Spending in the Foreign Operations Appropriations Bill
(in millions of dollars)

	2004 Budget Authority ^a	2004 Outlays ^a	2005 Budget Authority	2005 Outlays	Difference BA	Difference Outlays
International Security Assistance	6,926	8,258	7,823	8,509	897	251
Multilateral Assistance	1,816	2,585	1,715	1,848	-101	-737
Agency for International Development ...	5,750	4,715	6,393	5,467	643	752
Millennium Challenge	994	50	1,250	374	256	324
Other International Programs	267	255	417	414	150	159
Department of State Programs	1,770	1,876	1,836	2,001	66	125
Export-Import Bank and Other	40	1,586	-48	7,977	-88	6,391
Total	17,563	19,325	19,386	26,590	1,823	7,265

^a Does not include \$21.213 billion in BA and \$5.326 billion in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

DISCUSSION

The bill is \$1.823 billion above fiscal year 2004 spending (see Table 2 above).

Compared with 2004 spending (excluding supplementals), increases are recommended for the Global HIV/AIDS Initiative (\$787 million); bilateral Military Assistance (\$685 million); the Millennium Challenge Account (\$256 million); the Export-Import Bank (\$126 million); International Narcotics Control and Law Enforcement (\$89 million); and the Peace Corps (\$7 million). These increases are partially offset by lower spending, compared with 2004, for the Agency for International Development other than Global HIV/AIDS (\$101 million); International Financial Institutions (\$115 million); assistance for Eastern Europe and the Baltic States (\$67 million); and assistance for the Independent States of the former Soviet Union (\$35 million).

The bill provides a net of \$1.933 billion in BA less than the President's request. This is due largely to reductions, compared with the President, in the Millennium Challenge Account (\$1.25 billion); international security assistance (\$364 million); multilateral assistance (\$299 million); debt restructuring (\$95 million); the Peace Corps (\$71 million); and the Economic Support Fund (\$62 million). In addition, the President's request for \$100 million for the U.S. Emergency Fund for Complex Foreign Crises was denied.

Specific items of interest include the following:

- *HIV/AIDS, TB, and Malaria, \$2.2 billion:* The bill provides a record level of funding to combat HIV/AIDS, tuberculosis, and malaria; of which almost

\$1.260 billion is funded under the Global HIV/AIDS account, \$885 million under the Child Survival and Health Programs Fund, and \$54 million through other accounts.

- *International Narcotics Control, \$329 million:* This is \$89 million above last year, and \$30 million below the President's request.
- *The Peace Corps, \$330 million:* This is \$7 million above fiscal year 2004, and \$71 million below the President's request.
- *Israel, \$2.6 billion:* The bill fully funds the President's \$2.2-billion request for Foreign Military Financing [FMF] for Israel, a \$73-million increase over 2004. It also fully funds the President's \$360-million request for economic assistance to Israel, a \$117-million reduction compared with 2004. The level is consistent with the U.S.-Israeli agreement for a phased reduction in Economic Support Fund assistance.
- *Egypt, \$1.8 billion:* The bill fully funds the President's \$1.3-billion request for FMF for Egypt, the same as fiscal year 2004. It also fully funds the President's \$535-million request for economic assistance to Egypt, a \$37-million decrease compared with 2004.
- *Afghanistan, \$1 billion:* The bill provides almost \$1 billion in overall assistance for Afghanistan. Specifically, the bill fully funds the President's \$400-million request for Foreign Military Financing [FMF] for Afghanistan, a \$350-million increase over 2004. It

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also fully funds the President’s \$225-million request for economic assistance for Afghanistan, a \$150-million increase over 2004, excluding supplementals.

- *Pakistan, \$600 million:* The bill provides \$150 million in new budget authority and \$150 million in transfer authority for FMF for Pakistan. It also fully funds the President’s \$300-million request for economic assistance for Pakistan, a \$300-million increase over 2004, excluding supplemental appropriations. Up to \$200 million may be used for debt relief, pursuant to the President’s budget request.

- *Jordan, \$456 million:* The bill fully funds the President’s \$206-million request for FMF for Jordan. It also fully funds the President’s request for \$250 million for economic assistance to Jordan.

- *Sudan, \$311 million:* The bill provides \$311 million to address the humanitarian situation in Sudan, including \$140 million from the International Disaster and Famine Assistance account, \$70 million in Development Assistance, \$53 million in Migration and Refugee Assistance, and \$48 million from other accounts.

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