



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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FOREIGN OPERATIONS APPROPRIATIONS BILL FOR FISCAL YEAR 2004 – H.R. 2800

SUMMARY

The Foreign Operations appropriations bill reported to the House on 21 July 2003 (H.R.2800; H.Rept. 108-222) provides new budget authority equal to the applicable suballocation for the Foreign Operations subcommittee.

The bill is consistent with the House Concurrent Resolution on the Budget for Fiscal Year 2004 (H.Con.Res.95). The bill also complies with the requirements of the Congressional Budget Act.

COST OF THE LEGISLATION

H.R. 2800 provides \$17.120 billion in new budget authority [BA] and \$20.182 billion in outlays for 2004 – an increase of \$893 million in BA and \$3.747 billion in outlays from fiscal year 2003 (see Table 1 below). As noted, the BA is equal to the subcommittee's 302(b) suballocation. The growth in outlays results from BA enacted in prior years. Although budget authority in the bill increases by 5.5 percent from the previous year, it is \$1.769 billion below the President's request.

As shown in the chart alongside, assuming enactment of this bill, new BA for foreign operations will have increased an average of 1.3 percent a year in 2000-04, a significantly slower rate of growth than that of other Federal spending. The bill does not contain emergency-designated new BA, advance appropriations, or rescissions of previously enacted budget authority.

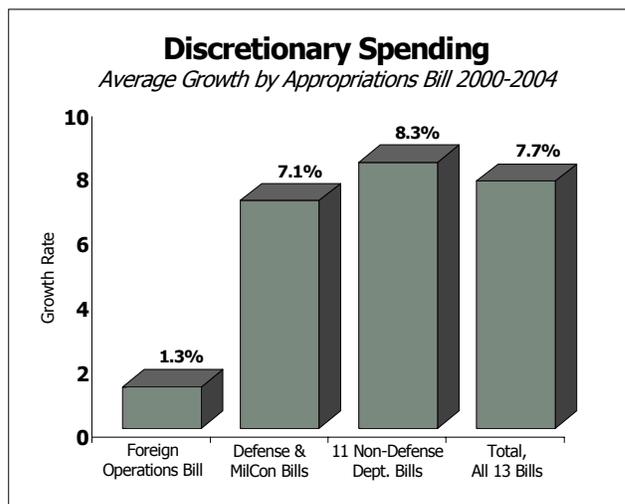


Table 1: Foreign Operations Appropriations Bill
(fiscal years; millions of dollars)

	2003 Spending ^a	Administration 2004	302 (b) for 2004	Bill
Budget Authority	16,227	18,889	17,120	17,120
Outlays	16,835	20,428	20,185	20,182

^a Does not include \$7.481 billion in BA and \$3.311 billion in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

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This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of all the committee's members.

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 budget authority and outlays established in the concurrent resolution on the budget.

The \$17.120 billion in new discretionary budget authority is equal to the 302(b) allocation to the House Appropriations Subcommittee on Foreign Operations; outlays are \$3 million less than 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).

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

	2003 Budget Authority ^a	2003 Outlays ^a	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
International Security Assistance	6,730	7,774	7,087	8,863	357	1,089
Multilateral Assistance	1,500	1,923	1,610	2,197	110	274
Agency for International Development	5,472	4,708	5,663	5,247	191	539
Millennium Challenge	0	0	800	80	800	80
Other International Programs	168	164	190	172	22	8
Department of State Programs	1,792	1,615	1,749	1,788	-43	173
Export-Import Bank and Other	565	651	21	1,835	-544	1,184
Total	16,227	16,835	17,120	20,182	893	3,347

^a Does not include \$7.481 billion in BA and \$3.311 billion in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

DISCUSSION

The bill is \$893 million above fiscal year 2003 spending (see Table 2 above).

Foreign operations spending increases compared with 2003, largely for the new Millennium Challenge Account (\$800 million). Increases in other programmatic areas, such as International Security Assistance (\$357 million), the Agency for International Development (\$191 million), Multilateral Assistance (\$110 million), and other programs (\$22 million) are offset by lower spending in the Department of State (\$43 million) and the Export-Import Bank and other (\$544 million). Last year, the budget included appropriations for the Ex-Im Bank; this year the budget assumes the drawdown of subsidy balances available from prior years. (A subsidy balance is the amount of money previously appropriated to provide for the cost of Federal loan and loan guarantee programs.)

The bill provides a net of \$1.769 billion in BA less than the President's request. This is due largely to reductions,

compared with the President, in Multilateral Assistance (\$669 million), International Security Assistance (\$534 million), the Millennium Challenge Account (\$500 million), the Department of State (\$67 million), other international programs (\$56 million), and the Export-Import Bank and other activities (\$21 million). These reductions were offset by an increase, compared with the President, of \$78 million for the Agency for International Development.

Specific items of interest include:

- *Israel, \$2.7 billion:* The bill fully funds the President's \$2.2-billion request for Foreign Military Financing [FMF] for Israel, an \$18-million increase over 2003. It also fully funds the President's \$480-million request for economic assistance to Israel, a \$120-million decrease compared with 2003.
- *Egypt, \$1.9 billion:* The bill fully funds the President's \$1.3 billion request for FMF for Egypt, the same as

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fiscal year 2003. It also fully funds the President's \$575-million request for economic assistance to Egypt, a \$40 million decrease compared with 2003.

- *Jordan, \$456 million:* The bill fully funds the President's \$206-million request for FMF for Jordan, \$8 million above fiscal year 2003. It also fully funds the President's request for \$250 million for economic assistance to Jordan, \$2 million above fiscal year 2003.
- *HIV/AIDS, Tuberculosis and Malaria, \$1.43 billion:* The bill provides additional funding above fiscal year

2003 levels for global assistance to combat HIV/AIDS, tuberculosis, and malaria, most of which is within the Child Survival and Health Programs Fund. The funding is \$86 million above the President's request.

- *International Narcotics Control, \$242 million:* This is \$46 million above last year, and \$43 million below the President's request.
- *The Peace Corps, \$314 million:* This is \$19 million above fiscal year 2003 and \$45 million below the President's request.

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