



Fact Sheet: The FY2012 State and Foreign Operations Budget Request

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Summary

On February 14, 2011, the Obama Administration presented its FY2012 budget request for International Affairs (function 150) programs. Within that request was \$59.64 billion for programs funded through the State Department, Foreign Operations and Related Accounts appropriation, a 5.1% increase over the current funding level. This fact sheet provides a brief overview of that request. A full report on FY2012 State and Foreign Operations budget and appropriations issues will follow initial congressional consideration of appropriations legislation.

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FY2012 Core and Overseas Contingency Operations Request

The Administration, for the first time, divided the FY2012 International Affairs request into two parts: the “core” budget request reflecting “enduring” needs, which account for \$47.03 billion, and Overseas Contingency Operations (OCO), for which \$8.70 billion are requested. OCO funds are described in the Administration’s budget documents as “extraordinary, temporary costs in Iraq, Afghanistan and Pakistan.”¹ This approach reflects the way that the Department of Defense has presented its budget in recent years. Secretary of State Clinton has described the State-Foreign Operations OCO request as a portion of a government-wide OCO request of \$126 billion.

The total request includes \$19.51 billion for State Department operations and related accounts, a nearly 9% increase over the FY2010-enacted level. The total foreign operations request is \$40.12 billion, or 3% above the FY2010-enacted level. For a breakdown of the State-Foreign Operations requests by account, including OCO designations for FY2012, see the **Appendix**.

Key Issues for Congress

Civilian Transition in Iraq: The planned withdrawal of the U.S. military operations in Iraq by December 31, 2011,² in accordance with U.S.-Iraq bilateral agreements, will represent a dramatic shift in the U.S. government’s presence in Iraq. For FY2012, \$3.2 billion in OCO funds are requested to cover the transition from military to civilian leadership in Iraq. Some Members of Congress remain skeptical of the State Department’s capacity to take over more than 300 activities—ranging from environmental cleanup to medical support—that the U.S. military had been performing.³

Front-Line States: Budget constraints may lead to questions about sustaining high levels of aid to Afghanistan, Iraq, and Pakistan, which makes up 18% of the total FY2012 foreign operations request. For Afghanistan, roughly \$3.1 billion is requested through USAID and State budget accounts, a roughly 20% decrease in funding for the same programs from the FY2010-enacted level of \$4.2 billion. The Administration has requested \$2.3 billion for aid to Iraq, a 108% increase over the roughly \$1.1 billion enacted aid level for FY2010, reflecting the shift of responsibility for police and military assistance from the Department of Defense to the State

¹ Executive Budget Summary, Function 150 & Other International Programs, Fiscal Year 2012, p. 2.

² Though the U.S. combat mission in Iraq ended in August 2010, some 50,000 U.S. military forces continue to provide training until their expected departure at the end of 2011. U.S. Department of State, Office of the Inspector General, Compliance Follow-Up Review of Embassy Baghdad, Iraq, ISP-C-11-08A, October 2010.

³ The remaining tasks were either concluded, terminated, or given to others. U.S. Department of State, Office of the Inspector General, Compliance Follow-Up Review of Embassy Baghdad, Iraq, ISP-C-11-08A, October 2010.

Department. For Pakistan, total funding would increase by 62.8% over the FY2010-enacted levels, largely due to \$1.1 billion requested for the Pakistan Counterinsurgency Capability Fund.

Recent Events in the Arab World: The wave of popular unrest gripping the broader Middle East may have major repercussions for U.S. regional assistance strategy. While the FY2012 budget request does not directly address this issue, foreign aid remains a key lever of U.S. influence in the region; lawmakers and Administration officials are likely to focus in the coming months on how country-specific circumstances will affect aid policy and allocations.

Administration Initiatives: The Administration request demonstrates continued support for three major global initiatives. The request includes \$1.37 billion for the Feed the Future Initiative, \$125 million more than the amount allocated in FY2010. The Global Health Initiative would receive roughly \$9.9 billion (\$8.7 billion through State-Foreign Operations accounts), compared to the FY2010-enacted level of just under \$9.0 billion. The request for programs supporting the Global Climate Change Initiative totals slightly over \$1.3 billion, a 40% increase over the \$946 million enacted in FY2010.

Personnel: The State Department’s request includes \$67 million to build civilian capacity in FY2012. The funding would support 197 new positions, including 130 Foreign Service and 67 Civil Service positions. An additional \$399 million is requested through the USAID Operating Expenses account to support new and recently hired Foreign Service Officers at USAID. The personnel growth reflects a continuing priority of the Obama Administration, building on efforts started by the George W. Bush Administration, to alleviate a chronic shortage of personnel at State and USAID.

Broader Budget and Historic Context

Table 1. State-Foreign Operations Appropriations, FY2002-FY2012

(in billions of current and 2011 constant U.S. dollars)

	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10 Enacted	FY11	FY12 Req.
Current \$	24.25	31.72	48.34	34.23	34.25	37.28	40.47	50.50	56.72	*	59.64
Constant 2011 \$	29.97	38.36	57.00	38.08	37.84	40.14	42.06	52.15	57.53	*	59.64

Source: Executive Budget Summary, Function 150, FY 2012; CRS appropriations reports; CRS calculations.

Notes: * Federal agencies are currently being funded through a continuing resolution, which maintains funding at FY2010 levels for most programs. Includes supplementals. Constant dollars were calculated using deflators from Table 10.1 of the FY2012 Historic Budget Tables.

The State, Foreign Operations and Related Accounts request, at \$59.64 billion, represents about 1.6% of the \$3.7 billion in total budget authority requested for FY2012, and about 4% of proposed discretionary budget authority. The request is a 5.1% increase over the FY2010-enacted appropriation, in current dollars. The request continues a general trend of increasing international affairs spending over the past decade, driven largely by strategic and reconstruction aid to Iraq, Afghanistan, and Pakistan, as well as large global health initiatives. In constant dollars, the FY2012 request is a 4% increase over FY2010, and is nearly double the FY2002 appropriation (**Table 1**).

Appendix. State, Foreign Operations and Related Accounts Appropriations, FY2010 Enacted and the FY2012 Request, by Account

Table A-1. State, Foreign Operations and Related Accounts Appropriations, FY2010 Enacted and the FY2012 Request, by Account

(in millions of current U.S. \$)

	FY2010 Enacted	FY2011 CR	FY2012 Request		% Change, FY2010 to FY2012 Req.
			Total	Contingency	
STATE OPERATIONS & Related	17,912.8	*	19,508.8	(4,386.2)	+8.9%
Administration of Foreign Affairs	12,905.5	*	14,907.3	(4,386.2)	+15.5%
Diplomatic and Consular Programs	9,927.4	*	11,893.5	(4,323.3)	+19.8%
Capital Investment Fund	139.0	*	125.0	-	-10.0%
Embassy Security Construction & Maintenance	1,894.1	*	1,801.5	-	-0.7%
Conflict Stabilization Operations	120.0	*	92.2	-	-23.2%
Office of the Inspector General	112.6	*	128.1	(62.9)	+13.8%
Educational and Cultural Exchange Programs	635.0	*	637.1	-	+0.3%
Representation Allowances	8.2	*	8.2	-	0.0
Protection of Foreign Missions and Officials	28.0	*	27.7	-	-1.1%
Emergencies in Diplomatic, Consular Affairs	10.0	*	10.0	-	0.0
Buying Power Maintenance Account	8.5	*	-	-	n.a.
Repatriation Loans Program	1.5	*	1.8	-	+20.0%
American Institute in Taiwan	21.2	*	23.3	-	+9.9%
Foreign Service Retirement and Disability (mandatory)	158.9	*	158.9	-	0.0%
International Organizations	3,904.0	*	3,539.4	-	-9.3%
Contributions to International Organizations	1,682.5	*	1,619.4	-	-3.8%
Contributions to Int. Peacekeeping Activities	2,221.5	*	1,920.0	-	-13.6%
Related Programs	161.8	*	131.5	-	-18.7%
The Asia Foundation	19.0	*	14.9	-	-21.6%
Center for Middle East-Western Dialogue	0.9	*	0.8	-	-11.1%
Eisenhower Exchange Fellowship	0.5	*	0.5	-	0.0

	FY2010 Enacted	FY2011 CR	FY2012 Request		% Change, FY2010 to FY2012 Req.
			Total	Contingency	
Israeli Arab Scholarship Program	0.4	*	0.4	-	0.0
East-West Center	23.0	*	10.8	-	-53.0%
National Endowment for Democracy	118.0	*	104.0	-	-11.9%
International Commissions	142.9	*	120.8	-	-15.4%
Int. Boundary and Water Commission	76.3	*	77.5	-	+1.6%
American Sections	12.6	*	12.0	-	-4.8%
<i>Int. Joint Commission</i>	8.0	*	7.2	-	-10.0%
<i>Int. Boundary Commission</i>	2.4	*	2.4	-	0.0
<i>Border Environment Coop. Commission</i>	2.2	*	2.3	-	+4.5%
Int. Fisheries Commission	54.0	*	31.3	-	-42.0%
Broadcasting Board of Governors	749.4	*	767.1	-	+2.4%
International Broadcasting Operations	736.8	*	754.3	-	+2.4%
Capital Improvements	12.6	*	12.8	-	+1.6%
U.S. Institute of Peace	49.2	*	42.7	-	-13.2%
FOREIGN OPERATIONS	38,810.3	*	40,133.2	(4,316.6)	+3.4%
U.S. Agency for International Development	1,668.2	*	1,744.1	-	+4.5%
USAID Operating Expenses	1,398.8	*	1,503.4	-	+7.5%
Conflict Stabilization Operations	30.0	*	-	-	n.a.
USAID Capital Investment Fund	185.0	*	189.2	-	+2.3%
USAID Inspector General	54.4	*	51.5	-	-5.3%
Bilateral Economic Assistance	23,401.2	*	22,090.6	(1,216.6)	-5.6%
Global Health and Child Survival	7,874.0	*	8,715.5	-	+10.7%
Development Assistance	2,520.0	*	2,918.0	-	+15.8%
International Disaster Assistance	1,305.0	*	860.7	-	-34%
Transition Initiatives	55.0	*	56.0	-	+1.8%
Complex Crisis Fund	50.0	*	75.0	-	+50%
Development Credit Authority – Subsidy	[25.0]	*	[50.0]	-	+100%
Development Credit Authority – Admin.	8.6	*	8.3	-	-3.5%
Economic Support Fund	8,824.0	*	7,185.3	(1,216.6)	-18.6%
Democracy Fund	120.0	*	-	-	n.a.

	FY2010 Enacted	FY2011 CR	FY2012 Request		% Change, FY2010 to FY2012 Req.
			Total	Contingency	
Assist. for Europe, Eurasia and Central Asia	741.6	*	626.7	-	-15.5%
Migration and Refugee Assistance	1,858.0	*	1,613.1	-	-13.2%
Emergency Migration and Refugee Assist.	45.0	*	32.0	-	-28.0%
Independent Agencies	1,558.0	*	1,607.8	-	+3.2%
Peace Corps	400.0	*	439.6	-	+9.9%
Millennium Challenge Corporation	1,105.0	*	1,125.1	-	+1.8%
Inter-American Foundation	23.0	*	19.1	-	-17.0%
African Development Foundation	30.0	*	24.0	-	-20.0%
Department of Treasury	92.1	*	45.1	-	-51.0%
Treasury Technical Assistance	32.1	*	30.1	-	-6.2%
Debt Restructuring	60.0	*	15.0	-	-75.0%
International Security Assistance	9,586.2	*	11,322.8	(3,100.0)	+18.1%
Int. Narcotics Control and Law Enforcement	2,872.7	*	2,511.8	(1,000.0)	-12.6%
Nonproliferation, Antiterrorism, Demining and Related Programs	754.0	*	708.5	-	-6.0%
Peacekeeping Operations	331.5	*	292.0	-	-11.9%
Int. Military Education and Training	108.0	*	110.0	-	+1.9%
Foreign Military Financing	5,520.0	*	6,550.5	(1,000.0)	+18.7%
Pakistan Counterinsurgency Capability Fund	-	*	1,100.0	(1,100.0)	n.a.
Global Security Contingency Fund	-	*	50.0	-	n.a.
Special Defense Acquisition Fund	-	*	-	-	n.a.
Multilateral Economic Assistance	2,649.7	*	3,667.5	-	+38.4%
Int. Organizations and Programs	394.0	*	348.7	-	-10.9%
Global Environment Facility	86.5	*	143.8	-	+54.7%
International Clean Technology Fund	300.0	*	400.0	-	+33.0%
International Development Association	1,262.5	*	1,358.5	-	+7.6%
Int. Bank for Recon. and Development	-	*	117.4	-	n.a.
Inter-American Development Bank	204.0	*	102.0	-	-50.0%
Enterprise for the Americas – MIF	25.0	*	25.0	-	0.0
Inter-American Investment Corporation	4.7	*	20.4	-	+334.0%
Asian Development Fund	105.0	*	115.3	-	+9.8%
African Development Bank	-	*	32.4	-	n.a.

	FY2010 Enacted	FY2011 CR	FY2012 Request		% Change, FY2010 to FY2012 Req.
			Total	Contingency	
African Development Fund	155.0	*	195.0	-	+25.8%
Int. Fund for Agricultural Development	38.0	*	30.0	-	-21.1%
Asian Development Bank	-	*	106.6	-	n.a.
Global Agriculture and Food Security	-	*	308.0	-	n.a.
Strategic Climate Fund	75.0	*	190.0	-	+153.3%
Multilateral Debt Relief Initiative	-	*	174.5	-	n.a.
Export and Investment Assistance	(145.1)	*	(344.7)	-	-137.6%
Export-Import Bank	2.4	*	(212.9)	-	-8,9750%
Overseas Private Investment Corporation	(202.7)	*	(188.1)	-	+7.2%
Trade and Development Agency	55.2	*	56.3	-	+2.0%
TOTAL – STATE & FOREIGN OPS	56,723.1		59,642.0	(8,702.8)	+5.1%

Source: Executive Budget Summary, Function 150 & Other International Programs, Fiscal Year 2012. Table uses enacted FY2010 numbers, rather than FY2010 “actuals.”

Note: * Federal agencies are currently being funded through a continuing resolution, which maintains funding at FY2010 levels for most programs, as Congress has yet to enact funding legislation for the whole fiscal year.

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