

## **President's FY2013 International Affairs Budget Request Highlights**

President Obama released his budget proposal for Fiscal Year 2013 on Monday. The overall budget proposal for the International Affairs account (Function 150) is \$56.4 billion, an increase of 2 percent over Fiscal Year 2012's funding levels. The proposed budget for the State Department and USAID is \$51.6 billion, an increase of 1.6 percent. Here are some highlights:

- The overall State Department and USAID budget proposal includes funding from two separate sources. The bulk of the request – \$43.4 billion – is for State/USAID enduring (base) operations, programs, and administration, with an additional \$8.2 billion from the Overseas Contingency Operations (OCO) budget proposal for operations in Iraq, Afghanistan, and Pakistan.
- The budget proposal supports the continuation of the Diplomacy 3.0 initiative with a request for 121 new State Department positions, including 82 Foreign Service positions and 39 Civil Service positions.
- USAID's budget request is \$1.5 billion, a proposed increase of nearly \$4.5 million over FY 2012. \$33.7 million is requested for the Development Leadership Initiative (DLI).
- The budget proposal for Commerce, Science, and Justice, includes \$318 million for the Foreign Commercial Service and trade promotion programs, a proposed increase of \$50.5 million over the previous year. Additionally, the International Trade Administration request includes more than \$30 million to place Foreign Commercial Service Officers in high-growth markets around the world.
- The budget request proposes reducing funding for the Foreign Agricultural Service (FAS) by \$123 million to \$2.136 billion. FAS also intends to close two overseas locations and reduce staffing at five other overseas locations in 2012.
- The budget request proposes reducing funding for the International Broadcasting Bureau by nearly \$33 million, to \$711.5 million.
- The budget proposal includes a request for the final increment of Overseas Comparability Pay (OCP), to bring it in line with the full Washington, DC level, of 24.6%. This final increment was also proposed in the president's budget request last year, but Congress's Fiscal Year 2012 appropriations only included authorization and funding for the current level of 16 percent, roughly equivalent to the "rest of the United States" level.
- \$1.6 billion in funding is requested for security construction and improvements to embassies, consulates and missions around the world and \$83.3 million in information technology modernizations.
- The Overseas Contingency Operations (OCO) budget request includes \$8.2 billion for the State Department and USAID's operations in Afghanistan, Iraq, and Pakistan.

The president's budget request is the first step in the federal budget process. Next, the Senate and House budget committees will meet to develop a Congressional budget resolution that establishes spending limits and an overall blueprint for appropriations. After that, the appropriations committees in the Senate and House will develop legislation outlining specific funding for government departments, specific agencies, and federal programs.

It is difficult to predict how the budget and appropriations process will proceed. Although the process seems simple, in recent years it has been increasingly difficult for Congress to come to an agreement on federal spending. In many cases, this has necessitated a Continuing Resolution

that extends the prior year's funding past its expiration until final appropriations legislation can be passed.

As Congress moves through the budget process, AFSA will continue our non-stop engagement with members of the House and Senate, their staff, and Congressional committees. We are working to ensure that the Foreign Service has the resources it needs to succeed, that the international affairs budget supports diplomatic readiness, and that Foreign Service employees and retirees receive the benefits they have been promised. AFSA will also work with allies in all sectors – private sector, non-government organizations, academic, and labor – to ensure that international spending is robust and that the Foreign Service has the support necessary to promote and protect American interests overseas. We will keep you informed of various developments on the international affairs budget front.

AFSA is also closely engaged with protecting federal benefits. We have deep concerns about various comments and specific proposals that are circulating to reduce benefits. Some in Congress have forged bills that are a direct affront to federal employees. These proposals are targeting federal worker paychecks and benefits in an effort to find cuts and offsets to pay for transportation and side track reductions in defense spending. AFSA will be participating in a Call Congress Day on February 15, and we encourage members to do so. Please be on the lookout for a separate message from AFSA on this campaign.