



ONE ANALYSIS OF THE FY2010 BUDGET OUTLINE
February 26, 2009

Today, the President submitted the broad outlines of the FY10 Budget request which includes \$51.7 billion for the FY10 International Affairs Budget, an estimated 9.5% above the comparable amount for FY09.

As Obama committed in his address to Congress this week, he has combined the baseline budget with emergency supplemental budgets to propose a single request for funding. This does not guarantee there will be no supplemental requests in FY2010 but it will be reserved for truly emergency items. For comparison sake, we compare FY2010's request with the total funding for FY2009 (base plus supplementals). This departs from previous years in which our analysis excluded emergency supplementals, comparing only base budget proposals with base spending for the current year. The Administration proposes to "normalize" the FY10 budget process by showing all recurring spending for the entire year in the base request, including funding for Iraq, Afghanistan, Pakistan, and other contingency requirements previously enacted in one or more emergency supplemental packages. (For the past several years, as much as 25% of the International Affairs Budget has been provided through emergency supplemental).

Using this benchmark for comparison, there is a total of \$51.7b requested in FY2010 for the 150 Account (not including food aid). Total spending for FY2009 for State and Foreign Operations is \$45.7b which means that the year on year increase in FY2010 is \$4.5b.

COMPARISON OF REQUEST	
International Affairs 150 Account	
FY 2010 Request*	\$51.7 billion
FY 2009 Bridge Enacted*	\$3.7 billion
FY 2009 Omnibus Estimate*	\$36.7 billion
FY 2009 Spring Supplemental Estimate*	\$6.8 billion
FY2009 Total Enacted and Estimate	\$47.2 billion
Increase FY 2009-2010 Enacted & Est.	\$4.5 billion (9.5% increase)

*Note: FY2010 request does not include international food assistance. In order to make an accurate comparison between the two years, FY2009 figures exclude \$2 billion in enacted and estimated international food assistance. Totals for FY2010 and FY2009 will increase when the complete budget is submitted in April to include international food assistance.

The Budget blueprint does not include details on programs, therefore it is unclear how much of the \$4.5b increase will be directed to State Operations as opposed to Foreign Operations and poverty-focused programs. A full detailed budget will be submitted to Congress most likely at the beginning of April. But overall, the \$4.5b increase provides enough space for a major increase in poverty-reducing activities and ensures that progress will be made in the effort to double foreign assistance.

In addition to the topline figures, the Administration reiterated its pledge to double foreign assistance and meet many other campaign pledges:

"Puts the United States on a path to double U.S. foreign assistance. By increasing foreign assistance the United States will reach out to the global community and renew its role as a leader in global development



and diplomacy. Through increased foreign assistance funding, the United States will embark on several new initiatives that will give children in the poorest countries access to education ensuring they can participate in the global marketplace; foster global food security through sustainable agriculture; expand goodwill and inspire service by increasing the size of the Peace Corps; and stabilize post-conflict states, creating room for them to plant the seeds of democracy.”

“Increases Funding for Global Health Programs. The Administration will continue to build on its commitment to save lives through increasing investments in global health programs, including areas such as maternal and child health, family planning and other core health programs, while also emphasizing a commitment to HIV/AIDS, malaria and tuberculosis through successful programs, such as the President’s Emergency plan for AIDS Relief and the Malaria Initiative.”

Today’s release does two other important things to increase budget transparency and planning: it attempts to put forth a single 2010 budget that wraps all spending for the year into one place which is a positive step and it also provides outyear projections up to 2014 showing that State and Foreign operations are expected to grow to \$69.3b by 2014—approximately a \$4.3-4.5b increase per year.

FY2009 Supplemental

The FY10 outline also includes \$7.1 billion for FY2009 emergency supplemental spending that is expected to be finalized and submitted to Congress in March. Like the FY2010 request, no details are provided, although it is expected to include significant resources for Afghanistan, Pakistan, and Iraq and for humanitarian contingency accounts that have been routinely fully funded in emergency supplemental. (Note: This figure includes international food assistance which is not part of the FY2010 request and therefore, will not correspond to figures for FY2009 shown in the table above.)