



March 17, 2023

The Honorable  
Rosa DeLauro, Ranking Member  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

Dear Ms. DeLauro:

Thank you for your January 19 letter to Secretary Blinken and Administrator Power regarding a plan by House Republican Leadership to cap fiscal year (FY) 2024 discretionary spending at the FY 2022 enacted level. As you are aware, President Biden released his FY 2024 Budget on March 9 that lays out a detailed plan to invest in America, continue to lower costs for families, protect and strengthen Social Security and Medicare, reduce the deficit, and make key investments overseas that strengthen U.S. national security and economic recovery. The Department of State (Department) and the U.S. Agency for International Development (USAID) share your concerns about the House Leadership's proposed, unprecedented cuts in FY 2024 funding for key services, programs and protections, such as education, public safety, research, nutrition and more.

In initial discussions on FY 2024 funding levels, it is our understanding that House Republicans have broached cuts as steep as 22 percent below the FY 2023 enacted level. Another scenario would cut the FY 2024 budget for the Department and USAID to FY 2022 enacted levels. While House Republican Leadership has not released a specific plan, cuts on this scale under either scenario would have very real and damaging impacts on our families, our

communities, our economy, our competitiveness, and our ability to lead on diplomacy, development and defense.

Over the past 10 years, the Department's and USAID's annual funding averaged approximately \$51 billion, reaching \$56 billion in FY 2023 or \$58.1 billion when including \$2.1 billion in base funding that was shifted to emergency accounts. A cut of 22 percent from current funding levels would reduce the State-USAID topline by \$12.3 billion to \$43.8 billion. The Department and USAID have not operated at a topline of \$43.9 billion since FY 2010. The Diplomatic Engagement budget totaled \$16.4 billion in FY 2023. A 22 percent reduction of \$3.6 billion would not only leave our personnel and facilities vulnerable and it would negatively impact our ability to pay multilateral contributions in full and on time. When we pay our bills, we have a greater capacity to shape international institutions, focus them on U.S. priorities, and bring about the reforms we want. When we fail to deliver on our treaty obligations, our adversaries exploit this and question our credibility and leadership. The Department's and USAID's Foreign Assistance budget totaled \$40.3 billion in FY 2023, excluding Title II Food For Peace funding. A 22 percent reduction of \$8.9 billion to the FY 2023 adjusted enacted funding level would jeopardize the United States' national security, global and multilateral leadership, and leave the world less free, open, and secure.

### **Jeopardize U.S. National Security**

If the Department's and USAID's FY 2024 budget is straight-lined with the FY 2022 base level of \$53.4 billion, excluding supplemental funding, it would call into question the United States' foreign policy, national security and development leadership and jeopardize U.S. national security. *There would be significant reductions to bipartisan priorities provided for in FY 2022 and FY 2023, including: support for Ukraine and its neighbors; countering the influence of the People's Republic of China (PRC) influence; resourcing the Indo Pacific Strategy; strengthening our workforce through hiring, training, and career development; and maintaining U.S. leadership in humanitarian assistance and global food security programs.*

Specifically, such a cut to FY 2022 levels would significantly scale back our efforts to counter aggressive and coercive tactics of the PRC and implement the Indo Pacific Strategy. The Department and USAID would be unable to fully resource the Indo Pacific Strategy to support a free, open, connected, secure, and resilient Indo-Pacific region and to increase opportunities to strengthen U.S. influence and opportunities for U.S. partners. We would also have to reduce efforts to deter PRC aggression and coercion, including through the Countering PRC Influence Fund that supports ongoing efforts to outcompete with the PRC. It would also slow our ability to open new posts in the Pacific Islands, hampering our ability to engage in the region.

The Department would also not be able to address national security challenges with partners and allies through stalwart security assistance, to include increased support to strategic partners in Eastern Europe and East Asia and the Pacific. Such assistance is critical to enhancing military-to-military interoperability, training, and cooperation, as well as fighting corruption, and money-laundering. Treaty-based commitments, such as payment of U.S. assessments to international organizations, would also be jeopardized.

Such a cut would also reduce the Department's security sector assistance by \$2 billion, opening the door for our competitors and limiting the Department's ability to enhance interoperability and the capabilities of our partner countries to tackle shared law enforcement and security challenges.

### **Hamstring American Diplomacy**

The Department's Administration of Foreign Affairs base budget totals \$12.4 billion in FY 2023. A 22 percent reduction of \$2.7 billion across this operating budget would hamstring American diplomacy – gutting our personnel, facilities, security operations, and cybersecurity. *The Department would be forced to impose a broad hiring freeze, and potentially Reductions in Force.* Training and professional development programs recently authorized in the State Authorization bill on a bipartisan basis would be

rolled back. The reductions would also halt investments in security upgrades at our most vulnerable posts, increasing the physical risks to USG personnel overseas. The Department would need to cut back on implementing cybersecurity initiatives to secure legacy and high-value systems. Furthermore, we would need to defer other IT modernization initiatives, such as fixing payroll and personnel systems.

A 22 percent cut in USAID's FY 2023 Operating Expenses (OE) account would result in an almost \$400 million reduction. *A cut of this magnitude would devastate USAID operations and its ability to implement and manage foreign assistance and humanitarian assistance programs and would hamper our response to future disasters.* At this level, the Agency could not sustain current hiring levels, would be forced to implement a hiring freeze and potentially a reduction in force and reduce its presence overseas, leaving missions without the personnel critical to delivering aid. In addition, USAID would have to significantly reduce information technology operations, including cyber security and infrastructure, leaving programs and records vulnerable to compromise by malign actors and undermining the national security posture.

### **Drastically Cut Economic and Security Assistance for Ukraine and the region**

Operating at FY 2022 levels would significantly reduce support for Ukraine, other countries impacted by the war in Ukraine. *The Department and USAID would not be able to continue to counter Russia across the region and would have to reduce support for ongoing programs that support an independent, democratic, politically stable, and economically viable Ukraine that can defend itself against external aggression.* It would decrease support to Ukraine's neighbors, including Moldova, Georgia, Albania, and Bosnia Herzegovina and regional programs that facilitate energy security and diversification, reducing reliance on Russian energy sources, and reinvigorating democratic governance. In addition, Ukraine received the balance of its development and security assistance through supplemental appropriations in FY 2022. Absent additional supplemental appropriations,

a straight-line to the FY 2022 enacted level would effectively zero out all State Department and USAID development and economic assistance and security sector programming in Ukraine.

### **Reduce Support for Critical Global Health Investments**

A 22 percent cut of \$2.3 billion to State and USAID global health funding would reverse gains made to combat infectious diseases, including through the President's Emergency Plan for AIDS Relief (PEPFAR), programs to prevent maternal and childhood deaths, and funds to support health workers and global health security.

Flat resources at the FY 2022 level would undermine the Department and USAID's efforts to prevent, detect, and respond to infectious disease outbreaks and accelerate the fight against existing infectious diseases, including through our Global Health Security (GHS) programs, which received a badly needed increase in FY 2023 appropriations. Reduced GHS funding would mean fewer resources to support health security capacity building around the globe, as well as limit the ability of the USG to continue strongly supporting key multilateral institutions, such as the World Bank's Pandemic Fund, which will build and finance country capacity, the training of health workers, disease surveillance, national laboratory systems, and medical countermeasures. Reduced funding would also prevent the Department from meeting the Administration's \$6 billion, three-year Global Fund 7th Replenishment pledge to accelerate efforts to combat HIV, tuberculosis, and malaria, without making difficult resource tradeoffs.

### **Undermine Response to Global Food Security and Humanitarian Crises**

Additionally, a 22 percent reduction to State and USAID humanitarian assistance accounts would result in a nearly \$2 billion cut, severely impacting our ability to continue supporting existing humanitarian crises, including those in Ukraine, the Western Hemisphere, Türkiye, and Syria, and to respond to new and emerging natural disasters and conflict, threatening stability and lives around the world.

The Department and USAID would be severely constrained in our ability to respond to the global food security crisis. Russia's unprovoked war has spawned a global food security crisis, leading to a surge in acute needs globally, particularly in countries reliant on Ukrainian wheat and fertilizer exports in Africa and Asia. The war in Ukraine has demonstrated that our global food system is unable to withstand shocks posed to it by the triple threats of conflict, COVID-19, and climate change. Building a more resilient food system, both to move beyond the current crisis and mitigate future shocks, requires systemic changes, such as growing resilient crops and building fertile and healthy soil. A reduction in base funding would undercut Feed the Future efforts by USAID in supporting inclusive and sustainable agricultural-led economic growth, strengthening resilience among people and systems, and supporting a well-nourished population, primarily in sub-Saharan Africa and the Horn.

*More broadly, there would be reduced U.S. leadership in response to growing humanitarian crises, including from protracted conflicts and food insecurity.* Humanitarian needs are rising due to new and protracted conflicts, multi-season droughts and climate-induced disasters--such as the earthquake in Türkiye and Syria, floods in Pakistan, the drought in the Horn of Africa, and worsening worldwide poverty, malnutrition, and food insecurity. If held level to FY 2022 resources, we would have challenges in maintaining historical levels of U.S. support for saving lives and alleviating suffering globally, which in turn helps protect U.S. national security. At FY 2022 appropriation levels, all humanitarian responses -- including Ukraine and the Horn of Africa -- would face a significant cut in funding in the coming year.

### **Endanger Security of Personnel Overseas**

A straight-line from FY 2022 would reduce security operations and upgrades at our most vulnerable posts, increasing the physical risks to U.S. Government personnel overseas. It would force the Department to cut back on implementing cybersecurity initiatives to secure legacy and high-value

systems, leaving the Department's people, information and systems vulnerable to exploitation by foreign and malicious actors.

### **Roll Back Progress on Addressing Climate Change**

The Department and USAID would not be able to support increases for multilateral and bilateral climate programming to address adaptation, clean energy, and sustainable landscapes in line with the President's call to action. FY 2024 is a critical year for the U.S. climate agenda, as President Biden pledged to quadruple U.S. Government climate funding by 2024. Failing to deliver on this commitment will undermine U.S. leadership and credibility during a critical period.

We appreciate the opportunity to share this information with you and look forward to ensuring that funding for the Department and USAID remains sufficient to fully resource our global priorities, which in turn protect U.S. national security, advance U.S. values and support the U.S. economy.

Sincerely,



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