

THE DEPARTMENT'S BUDGETARY POSITION

The FY 2017 budget for the Department was funded by three appropriations bills: the Zika Response and Preparedness Act (Public Law No. 114-223) enacted on September 29, 2016; the Further Continuing and Security Assistance Appropriations Act (Public Law No. 114-254 (SAAA)) enacted on December 10, 2016; and the FY 2017 Consolidated Appropriations Act (Public Law No. 115-31) enacted on May 5, 2017. The Department's budget is comprised of two funding components: Enduring resources under Titles I-VII, and Overseas Contingency Operations (OCO) under Title VIII. Public Law No. 115-31 continued the prior-year practice of increasing OCO above the Presidents' Budget request, while reducing Enduring, in order to comply with the spending limits set by the Bipartisan Budget Agreement of 2015. The Bureau of Budget and Planning manages the Diplomatic Engagement portion of the budget, and the Office of U.S. Foreign Assistance Resources manages Foreign Assistance funds.

Budgetary Position for Diplomatic Engagement

The FY 2017 appropriated Diplomatic Engagement budget totaled \$17.2 billion. This includes \$10.3 billion in Enduring funds, \$5.2 billion in OCO funds and an additional \$1.7 billion in SAAA funds. The funding provided in FY 2017 supported the people and programs which carried out U.S. foreign policy and advanced U.S. national security, political, and economic interests at 276 posts in 195 countries around the world. These funds also built, maintained and secured the infrastructure of the U.S. diplomatic platform, from which most U.S. Government agencies operated overseas. The SAAA funds provided in FY 2017 for Diplomatic Engagement activities related specifically to defeating the Islamic State in Iraq and Syria (ISIS) and other terrorist organizations, countering violent extremism in Africa, Europe and Eurasia, the Middle East, and South Central Asia, and countering Russian influence.

In addition to these appropriated resources, the Department earned revenue from user fees. The largest portion of such revenues are derived from passport and visa charges, including Machine Readable Visa fees, Immigrant Visa fees, the Western Hemisphere Travel Surcharge, and others which support the Border Security Programs. The Border Security

Programs provide protection to U.S. citizens overseas and contribute to national security and economic growth. These programs are a core element of the national effort to deny individuals who threaten the country entry into the United States while assisting and facilitating the entry of legitimate travelers, and promoting tourism.

In FY 2017, Diplomatic and Consular Programs (D&CP), the Department's principal operating appropriation, totaled \$8.6 billion, including Enduring and OCO funds. Within the total, \$4.9 billion supported ongoing program operations and \$3.7 billion went toward the Worldwide Security Protection (WSP) program to strengthen security for diplomatic personnel and facilities and to sustain investments in response to the Accountability Review Board report on Benghazi, Libya. Major elements of this funding included \$1.2 billion to support operations of the U.S. Mission in Iraq; \$914 million for activities in Afghanistan; \$145 million for key programs and activities in Pakistan; \$490 million, all OCO, for supporting operations in other areas of unrest including high threat, high risk posts; and \$595 million for public diplomacy programs to counter misinformation and secure support for U.S. policies abroad.

The Department's Information Technology (IT) Central Fund for FY 2017 investments in IT was a total of \$271 million. This included \$13 million from the Capital Investment Fund appropriation and \$258 million in revenue from Expedited Passport fees. Investment priorities included modernization of the Department's global IT infrastructure to assure reliable access to foreign affairs applications, systems, and projects to facilitate collaboration, knowledge management, and data sharing internally and with other agencies.

The Embassy Security Construction and Maintenance (ESCM) appropriation was a total of \$2.4 billion, including \$1.2 billion in OCO, which provides U.S. missions overseas with secure, safe, and functional facilities. This supported maintenance and repairs of the Department's real estate portfolio, which exceeds \$87 billion in replacement value and includes approximately 24,000 properties.

The Educational and Cultural Exchange Programs (ECE) appropriation was funded at \$634 million. Elements of the Department's public diplomacy strategy include Educational