

BUDGET SUMMARY

.....my budget includes indispensable investments in our State Department and foreign assistance programs. These investments relieve the burden on our troops. They contribute directly to security. They make the American people safer. And they save us an enormous amount of money in the long run.

Barack Obama

President of the United States

Remarks on a new strategy for Afghanistan & Pakistan, March 27, 2009

Diplomacy is hard work; but when we work hard, diplomacy can work, and not just to defuse tensions, but to achieve results that advance our security, interests and values.

Hillary Rodham Clinton

Secretary of State

Confirmation Hearing Statement, January 13, 2009

Overview

Diplomatic capacity is built over time yet continuously “deployed,” frequently called upon in times of great national need. However diplomatic efforts cannot be effective unless the ground work and foundation are firmly established and institutionalized before a crisis arises. Effective global engagement is achieved only through continuous presence and requires a level of resources commensurate with unrelenting vigilance. Therefore, the leading objective of the FY 2010 State Operations request is to build the capacity to advance diplomatic solutions to the most challenging issues of our time.

The Department of State remains focused towards positioning the right people – with the appropriate training and resources – in the right locations. These diplomats will concentrate on the critical national security efforts of our day, combating terrorism, and promoting freedom. The timing and location of these efforts will often not be of our choosing. Therefore it is critical that the Department be able to conduct diplomacy and deliver assistance in a flexible and dynamic manner. This requires a concerted and long-term focus on recruiting, hiring, training and retaining the most capable and motivated personnel while providing those stationed overseas the critical equipment and resources necessary.

Diplomatic activities must also be seamlessly coordinated with the rest of the U.S. government’s agencies, particularly those that have critical foreign policy roles, in addition to our allies and international partners. Leveraging multi-agency, bi-lateral and multi-lateral organizational efforts is the most effective way of achieving the results that best serve our national interest.

The FY 2010 budget requests the necessary resources to further increase diplomatic capacity, providing the critical tools and funding that our diplomats require to pursue the most challenging national security issues, now and in the future.

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FY 2010 Budget Request

The FY 2010 budget request for all Department of State appropriations totals \$16.389 billion, an increase of \$1.885 billion over the FY 2009 estimate of \$14.504 billion (which includes appropriations enacted to date and the FY 2009 supplemental request). Approximately \$1.7 billion of the request is required to support the Department's activities in Iraq, previously funded through supplemental appropriations.

The FY 2010 budget request will enable the Department to meet the following critical goals:

Strengthen Capacity to Pursue Diplomatic Solutions to National Security Issues

The request will add a total of 1,181 direct-funded American positions, of which 517 would be overseas, with the balance of 664 serving domestically; nearly 180 of which would be in training – to include learning critical languages. The request for American positions includes over 700 additional Foreign Service staff to build a more robust diplomatic service that often is the first and most cost-effective line in our national defense. Diplomatic expertise and engagement are critical in failing and unstable states. Of particular importance is an upgrade in our training capacity to more effectively interact in languages such as Arabic, Chinese, Hindi, and Urdu. The Department also would further increase its representation on interagency and Defense regional staffs, creating enhanced interagency planning and execution of coordinated U.S. foreign policy. Additional security positions, over one-third of which would be overseas, will enhance the safety of personnel managing our diplomatic efforts in a very challenging – and frequently dangerous – environment. An additional 45 positions would be created through fee generated revenue to support the Department's Border Security Program. These personnel will thoroughly adjudicate passport and visa applications, working with other U.S. government agencies to ensure that our borders remain secure.

The request provides \$1.815 billion to support the construction and appropriate maintenance of safe and secure overseas facilities, including the Capital Security Cost Sharing Program. These funds will enable the Department to pursue major facility construction and rehabilitation initiatives, expand housing program for diplomats overseas, and focus resources on emerging energy consumption reduction programs.

Coordinate Stabilization and Reconstruction Efforts

The Department requests \$323 million for the Civilian Stabilization Initiative (CSI). These resources are necessary to build interagency readiness and surge capability for reconstruction and stabilization crises. CSI brings to the U.S. government a means to lead the civilian interagency efforts to prevent or respond to conflict or civil strife in foreign countries or regions. CSI coordinates resources and planning expertise from across the U.S. government while developing the institutional capacity to recruit and train other highly qualified civilians who can deploy with relatively short notice to address pre- and post-conflict challenges.

Further Assist Transition to Iraqi Responsibility

The Department requires a total of \$1.715 billion to maintain operations at the U.S. Mission in Iraq. These funds will support basic mission operations, logistic support, information technology, the sustained operation of up to 27 Provincial Reconstruction Teams (PRTs) and overall security requirements. Funding will enable the U.S. Mission to continue to work toward the strategic goal of a unified, democratic Iraq that can govern, defend and sustain itself. The request moves to end the practice of funding these operations through supplemental appropriations, thereby normalizing the budget process.

Strengthen Public Diplomacy and Exchanges

The request includes \$520 million to support the Department's worldwide public diplomacy activities and \$633 million for Educational and Cultural Exchange Programs (ECE). This funding will advance

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understanding abroad of our country's fundamental values, pursue greater global ideological engagement, utilize enhanced technology, advocate U.S. policy, and provide for timely evaluation of results achieved through public diplomacy. ECE continues to build youth oriented programs and sustain key educational exchanges while expanding alumni outreach and networking efforts. These efforts are focused on maintaining long-term ties to those who have been directly exposed to life in the United States.

Support Multilateral Engagement

The Department requests \$4.189 billion to support robust participation in international organizations and commissions. The \$1.797 billion for Contributions to International Organizations is required to pay assessments to 47 multilateral organizations. International organizations are crucial partners in shaping the international environment, building coalitions, and gaining support for U.S. policies and interests. The Department requests \$2.260 billion to support payments to critical UN peacekeeping missions around the world. These funds also will provide for a potential new mission in Somalia. UN peacekeeping missions reduce the pressure and personnel commitment on U.S. military forces and assist in ending conflicts, restoring peace, and strengthen regional stability. In addition, \$132.4 million is requested to fund U.S. assessments and participation in International Commissions, including \$15 million to meet U.S. commitments to Canada under the Pacific Salmon Treaty.

Performance Management and Accountability

The FY 2010 budget includes resources to continue the Department of State's performance improvement efforts in support of the President's goal to "Put Performance First." The Department has worked closely with the Office of Management and Budget (OMB) to improve results, metrics, and accountability for its programs, and has launched several initiatives to promote a greater performance culture within the agency.

- Through the process established by National Security Decision Directive 38 - that empowers the Chief of Mission at every U.S. diplomatic post in the world to regulate the size, composition, and mandate of all Executive Branch personnel under his or her authority - the Department continues to pursue regionalization of shared functions and centralization to contain the costs of administrative support.
- The Department's annual reviews of Mission Strategic Plans with embassy country teams as well as its annual reviews of Bureau Strategic Plans support senior leadership's focus on ensuring the effectiveness and efficiency of our programs, activities, and personnel.
- The Department, jointly with USAID, established a Performance Coordination Group (PCG) to closely coordinate plans, budgets, and performance reporting. State and USAID have integrated training presentations to implement PCG priorities and created a shared model for use in analyzing both budget and performance.

The Performance Budget

The Department of State examines performance information closely in determining the most effective use of its budget resources. As a result, the FY 2010 Congressional Budget Justification for Department of State appropriations incorporates performance indicators throughout the volume to enhance its justification for the resources requested. Together with the performance indicators cited in the submission for Foreign Operations, these performance indicators comprise the Department's Annual Performance Plan and Report.

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The indicators are displayed in standard templates containing targets, current results, prior results, future year targets, and contextual analysis.

Program Assessments and Evaluations

The Department of State continues to use program assessments and evaluations to monitor and improve program effectiveness. This allows the Department's leadership and program managers to track progress on achieving strategic goals throughout the agency. The Department continues to improve our ability to collect, analyze and report performance data. Additionally, the Department has been working closely with USAID to carefully align program assessment and evaluation processes.

Program evaluation is a key component of effective program management. Robust, coordinated evaluations are essential to the Department's ability to document program impact, identify best practices, help assess return on investment, provide input for policy and planning decisions, and to ensure performance and accountability for the American public. The Department has reviewed information on evaluations carried out by bureaus as part of a larger strategy to recognize and promote evaluation as integral to effective performance management.

Budget Request Details

The following sections of this budget volume detail the FY 2010 request for the Department of State appropriations. The sections include specific resource requirements for the programs, activities, and management initiatives highlighted above.