



**Congressional
Research Service**

Informing the legislative debate since 1914

FY2015 Budget Requests to Counter Ebola and the Islamic State (IS)

Susan B. Epstein, Coordinator
Specialist in Foreign Policy

Sarah A. Lister
Specialist in Public Health and Epidemiology

Amy Belasco
Specialist in U.S. Defense Policy and Budget

Don J. Jansen
Specialist in Defense Health Care Policy

December 4, 2014

Congressional Research Service

7-5700

www.crs.gov

R43807

Summary

The lame-duck session of the 113th Congress may consider appropriations measures that include recent emergency funding requests. In 2014, two major global threats — the Ebola outbreak in West Africa and the Islamic State (IS) in the Middle East — caused serious concern within the Obama Administration and among Members of Congress. In November 2014, the President requested a total of \$11.68 billion for responding to the Ebola crisis and combatting the Islamic State.

On November 5, 2014, the President requested \$6.18 billion in FY2015 emergency appropriations for Health and Human Services (HHS), the Department of State and international assistance programs, and the Department of Defense (DOD) to address the Ebola crisis domestically and overseas. The funding would enhance domestic preparedness and support overseas operations to end the current epidemic and prevent the spread of Ebola and other infectious diseases. The request includes \$2.43 billion for Health and Human Services, \$2.10 billion for the Department of State and International Programs, and \$112 million for the Department of Defense to advance research and technologies to control Ebola and other infectious diseases.

Appropriations requested for a new Contingency Fund (not Overseas Contingency Operations—OCO) totaling \$1.54 billion under HHS and Department of State accounts are accompanied by a request for the authority to transfer these funds to any federal agency to help meet Ebola or other infectious disease-related critical needs that may suddenly arise, both domestically and overseas. In addition to the new Contingency Fund, the request would also provide transfer authority for the emergency appropriations to any other federal accounts to meet the purposes specified in the request. The Administration asserts that these authorities are necessary for flexibility and a whole-of-government approach to this crisis.

On November 10, 2014, the President submitted to Congress an amended FY2015 OCO request for an additional \$5.5 billion to combat IS—\$5 billion for DOD and \$520 million for the Department of State. This brings the FY2015 OCO request to a total of \$71.4 billion.

DOD's amended OCO funding request of \$5.0 billion for FY2015 is for incremental U.S. military personnel expenses; fuel, supplies, and repair costs for ground, air, and sea-based operations, as well as other support; command, control, and intelligence activities, and intelligence, surveillance, and reconnaissance, and classified activities; replacement of expended munitions; building the capacity of Iraqi security forces and Kurdish and tribal forces; providing support to coalition members; and other small-scale humanitarian relief and reconstruction activities.

The Department of State's amended OCO request of \$520 million is for expanding the Center for Strategic Counterterrorism Communications' messaging in key languages; helping the moderate Syrian opposition develop capacity and credibility; supporting Jordan and Lebanon's territory and borders; humanitarian support related to IS attacks in Syria and Iraq; and expanding U.S. international broadcasting to provide a platform for moderate Muslims to voice opposition to extremism.

Both the Ebola and IS requests would designate budget authority as either an emergency requirement or Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT). Funds designated in this manner would effectively not be subject to the discretionary spending

limits established by the Budget Control Act, 2011, as amended (P.L. 112-25), and could, therefore, increase the deficit. This report will be updated as congressional action occurs.

Contents

Introduction.....	1
The Emergency Request for the U.S. Ebola Response.....	1
Health and Human Services (HHS).....	2
Department of State and International Assistance Programs.....	5
Department of Defense.....	7
Amended OCO Funds to Combat the Islamic State	8
Department of Defense.....	8
New Iraq Train & Equip Authority.....	10
Additional U.S. Military Personnel.....	11
Department of State and International Assistance Programs.....	11
Issues for Congress.....	13

Tables

Table 1. Health and Human Services Funds for Ebola and Other Infectious Diseases	4
Table 2. State Department/USAID/Agriculture Ebola Funds, FY2014 Annual Budget Estimates and FY2015 Emergency Request.....	6
Table 3. DOD’s OCO Funding: FY2014 Enacted to FY2015 Supplemental Request.....	9
Table 4. U.S. Military Strength, FY2014-FY2015, Amended OCO.....	11
Table 5. OCO: A Comparison of FY2014 Estimates vs. the FY2015 Amended Request for Accounts to Support Combatting IS	12

Contacts

Author Contact Information.....	14
---------------------------------	----

Introduction

In the context of legislative action to fund the government through September 30, 2015, Congress is also considering new funding requests from the President to counter two global issues—the Ebola crisis and the Islamic State (IS). In 2014 these two threats became major concerns within the Obama Administration and among many Members of Congress. The first cases of Ebola in Guinea, West Africa were reported in March 2014 and spread rapidly since then. The IS threat quickly came to be viewed as an immediate threat to U.S. partners and allies in the Middle East region, and a concern around the world, in late summer 2014.

On November 5, 2014, the President requested FY2015 appropriations of \$6.18 billion for Health and Human Services (HHS), the Department of State and international assistance programs, and the Department of Defense (DOD) to contain the Ebola crisis domestically and overseas. On November 10, 2014, the President increased the FY2015 Overseas Contingency Operations (OCO) request by \$5.5 billion to combat IS.

Congressional action on both may occur by December 11, 2014, when the current continuing resolution (P.L. 113-164, CR) expires and a new funding bill would be required to keep the government running, or it could be delayed when the new Congress convenes in January 2015. The CR generally is providing discretionary FY2015 funding at a rate based on FY2014 levels minus a 0.0554% across-the-board adjustment, with limited exceptions.¹ Funding provided by a CR is made available to agencies or “apportioned” at a rate determined by the Office of Management and Budget (OMB). Within the current CR, Congress provided \$88 million for HHS Ebola efforts.²

The Emergency Request for the U.S. Ebola Response

The November 5, 2014, request of \$6.18 billion is for U.S. government efforts to contain the Ebola outbreak, enhance domestic preparedness, and improve global capability to prevent the spread of other infectious diseases. Of the \$4.64 billion for immediate needs, \$2.426 billion is sought for HHS and \$2.1 billion for the Department of State and International Programs. Additionally, DOD would receive \$112 million to advance its research and technologies to end the Ebola outbreak and other infectious diseases. For flexibility, an additional \$1.54 billion would be for a Contingency Fund to be available for use within HHS and State or for transfer to other agencies, as needed. The Ebola request would designate all requested budget authority as emergency requirements, so that it would effectively not be subject to the statutory discretionary spending limits established by the Budget Control Act of 2011, as amended (P.L. 112-25, BCA).³

¹ This across-the-board adjustment does not apply to OCO-designated funds (P.L. 113-164, §14).

² P.L. 113-164, §136 and §137. Also, see CRS Report IN10148, *H.J.Res. 124, The FY2015 Continuing Resolution*.

³ For more information about these spending limits, see OMB, “Sequestration Update Report to the President and Congress for Fiscal year 2015,” August 20, 2014, available at http://www.whitehouse.gov/sites/default/omb/assets/legislative_reports/sequestration/sequestration_update_august2014.pdf.

Health and Human Services (HHS)

For Ebola preparedness and response activities in the Department of Health and Human Services (HHS), the President's request seeks \$2.426 billion for immediate needs and an additional \$751 million in contingency funding.⁴ These funds would support both domestic and international activities. Requested amounts are described below and presented in **Table 1**. (In general, FY2014 comparable amounts are not presented. HHS generally funds its infection control and emergency management activities under an all-hazards capacity category such as emergency planning, laboratory equipment, and workforce training rather than by disease. Hence, it is not possible to identify FY2014 amounts spent specifically on Ebola prevention and response, and FY2014 amounts in capacity accounts may not be comparable to additional amounts requested for Ebola.)

The FY2015 request seeks \$2.426 billion:

- \$1.83 billion for domestic and international Ebola responses by the Centers for Disease Control and Prevention (CDC). Domestic activities would include assistance to states to monitor travelers, and stockpiling of personal protective equipment (PPE) for hospitals. Global health security activities would include infection control, contact tracing, laboratory surveillance, emergency operations centers, and training in affected countries in West Africa.⁵
- \$333 million to support domestic Ebola responses through the Public Health and Social Services Emergency Fund account (PHSSEF, a fund administered by the HHS Secretary) for the HHS Assistant Secretary for Preparedness and Response (ASPR) including
 - \$68.75 million in Hospital Preparedness Program (HPP) grants⁶ to establish at least one Ebola Treatment Center in every state, including renovation, construction, and retrofitting of private facilities (activities typically prohibited for this program), purchase of personal protective equipment (PPE) and other supplies, and training;⁷
 - \$84.75 million, also through the HPP, for nationwide health system preparedness, to purchase PPE and training for hospitals, emergency medical

⁴ See CRS Report IN10176, *The Administration's Supplemental Request for Ebola and Other Infectious Diseases*, by Sarah A. Lister.

⁵ Of note, requested funds are separate from charitable funds available to CDC. In 1992 Congress established the nonprofit National Foundation for the Centers for Disease Control and Prevention to aid the agency in its broad public health mission. (Public Health Service Act §399G; 42 U.S.C. 280e-11.) The CDC Foundation reports that it has received commitments and donations of more than \$43 million toward the Ebola response. Ariana Eunjung Cha, "In Ebola Fight, Private Foundations Provide Critical Financial Aid," *Washington Post*, November 16, 2014. See also CDC Foundation, <http://www.cdcfoundation.org/>.

⁶ HHS Office of the Assistant Secretary for Preparedness and Response, Hospital Preparedness Program (HPP), <http://www.phe.gov/PREPAREDNESS/PLANNING/HPP/Pages/default.aspx>.

⁷ On December 2, 2014, HHS announced the designation of 35 Ebola Treatment Centers in 11 states and the District of Columbia. HHS, "35 Hospitals Designated as Ebola Treatment centers," press release, December 2, 2014, <http://www.hhs.gov/news>. Also, the White House reiterated the funding request to continue to "build out" Ebola treatment and assessment hospitals. White House, "Update on the Ebola Response," fact sheet, December 2, 2014, <http://www.whitehouse.gov/the-press-office/2014/12/02/fact-sheet-update-ebola-response>.

services, and ambulatory care facilities to handle Ebola patients safely on initial contact;⁸

- \$12.5 million for technical assistance, telemedicine, and other health system support for the Ebola response in the United States;⁹
- \$157 million for the Biomedical Advanced Research and Development Authority (BARDA) to bring Ebola vaccines and treatments developed under National Institutes of Health (NIH) and Department of Defense contracts to advanced development and manufacture for clinical trials; and¹⁰
- \$10 million for modeling and genetic sequencing of the Ebola virus.
- \$238 million for NIH to fund clinical trials on experimental Ebola vaccines and treatments.
- \$25 million for the Food and Drug Administration (FDA) for development, review, and regulation of Ebola vaccines and treatments.

In addition, the request seeks \$751 million for a Contingency Fund to the PHSSEF for unanticipated international and/or domestic needs, which could result from further spread of the Ebola outbreak in Africa, among other things.

Per the request, all HHS funds (both for immediate needs and contingency) would be used for “purposes of preventing, preparing for, and responding to Ebola or other infectious diseases domestically or internationally.”¹¹ In addition to the Contingency Fund, the HHS Secretary would have new broad authority to transfer any funds within HHS or to other departments as long as funds were to be used for the stated purpose. This authority would be in addition to existing transfer authorities,¹² and would require prior consultation with OMB and 10-day advance notice to congressional appropriations committees. Typical prohibitions on the use of HHS funds for personal services contracts and renovation/construction would be waived. The request would provide “expanded personal services contract authority for CDC” within the United States. It would require CDC staff to exercise “continuous supervision and control” over contractors (e.g., during trainings for hospital staff in order to assure the effectiveness of the training and the safety of trained staff).¹³

A Contingency Fund of \$751 million within PHSSEF would be made available for obligation for unforeseen needs only for the stated purposes of the request (noted above), both domestic and

⁸ The HPP received \$255 million for FY2014 to fund ongoing health system preparedness activities for 62 state and territorial grantees. HHS “Fiscal Year 2015 Budget in Brief,” p. 135, <http://www.hhs.gov/budget>.

⁹ HHS, Office of the Assistant Secretary for Preparedness and Response, Legislation and Executive Secretariat, “Public Health and Social Services Emergency Fund, Assistant Secretary for Preparedness and Response, FY2015 Emergency Request Justification,” undated.

¹⁰ Ibid.

¹¹ White House, Office of Management and Budget (OMB), “Estimate #4—FY 2015 Emergency Appropriations Request to Enhance the U.S. Government’s Response to Ebola at Home and Abroad,” November 5, 2014, p. 8, http://www.whitehouse.gov/omb/budget_amendments.

¹² See “Transfers” section of CRS Report R43304, *Public Health Service Agencies: Overview and Funding*.

¹³ House, Office of Management and Budget (OMB), “Estimate #4—FY 2015 Emergency Appropriations Request to Enhance the U.S. Government’s Response to Ebola at Home and Abroad,” November 5, 2014, p. 8, http://www.whitehouse.gov/omb/budget_amendments.

international, and upon prior notice to Congress by the President. When asked in a hearing why he preferred this funding approach to an additional supplemental, CDC Director Tom Frieden, referring to the possible spread of the Ebola outbreak to additional countries in West Africa, said “it’s the lack of speed that kills. We need to be able to respond very quickly to changing conditions on the ground.”¹⁴ Such a request is not unprecedented. As the request notes, in 2009 Congress provided contingency funding, along with immediate funding, in the emergency supplemental for the response to the H1N1 influenza pandemic.¹⁵ The President requested that the FY2015 Contingency Fund remain available until expended. However, if transferred contingency funds were found not to be needed for the request’s stated purpose, such unexpended funds would be returned to the PHSSEF.

Requested funds are intended for both Ebola and other infectious diseases because many of the domestic and international activities that are planned or underway to address the current Ebola outbreak—such as establishing Ebola treatment centers domestically and emergency operations centers in African countries—would expand capacity for the prevention and control of other infectious diseases in the future.

Table I. Health and Human Services Funds for Ebola and Other Infectious Diseases
(In \$ millions)

Agency	Account or Activity	FY2015 Emergency Request
CDC	Domestic preparedness and response efforts and research	621
	International response efforts	603
	Global Health Security Agenda ^a	606
CDC Subtotal		1,830
ASPR	PHSSEF: Biomedical Advanced Research and Development Authority (BARDA)	157
	PHSSEF: ASPR Office of Emergency Management	166
	Ebola virus modeling and genetic sequencing	10
ASPR Subtotal		333
NIH	NIAID for development of vaccines, therapeutics, and diagnostics	238
FDA	Accelerate review, regulation, and surveillance of Ebola medical products	25
HHS Subtotal	Subtotal for immediate needs	2,426
Contingency Funds	PHSSEF: unanticipated international and/or domestic needs	751
HHS Total		3,177

Sources: FY2015 Emergency Request Justifications for CDC, PHSSEF (ASPR), NIH and FDA, provided by the Department of Health and Human Services, November 18, 2014.

¹⁴ U.S. Congress, House Committee on Energy and Commerce, Subcommittee on Oversight and Investigations, *The U.S. Public Health Response to the Ebola Outbreak*, 113th Cong., 2nd sess., November 18, 2014, CQ transcription.

¹⁵ CRS Report R40531, *FY2009 Spring Supplemental Appropriations for Overseas Contingency Operations*.

- a. See CDC, “Global Health Security Program,” fact sheet, February, 2014, for information about the program and the FY2015 budget request, predating the Ebola outbreak, <http://www.cdc.gov/fmo/topic/Budget%20Information/FY-2015-Fact-Sheets/Global-Health-Security.pdf>.

Department of State and International Assistance Programs

Throughout FY2014 and FY2015, the Department of State and the U.S. Agency for International Development (USAID) have been drawing funds from International Disaster Assistance (IDA), Global Health Programs (GHP), and Food for Peace accounts to address the Ebola crisis in West Africa, as well as receiving support from DOD. \$376.8 million (\$64.5 million in FY2014 and \$312.7 million in FY2015) of State, Foreign Operations and Related Programs (SFOPs) and Agriculture appropriations have been used to fund labs for testing; medical supplies and cots; building and supporting Ebola treatment units (ETU); training and management of safe burial teams; and training health care workers.¹⁶

The FY2015 emergency request to contain Ebola totals \$2.89 billion. Of that amount, \$2.1 billion is for immediate responses and \$792 million is for a Contingency Fund (see **Table 2**). Some highlights of the request follow:¹⁷

International Disaster Assistance (IDA)—The requested \$1.4 billion for IDA includes \$539.2 million for clinical and non-medical management of 12 ETUs; \$25 million for contact tracing; \$36.8 million for burial teams training and safe practices; \$208.2 million for Community Care Centers; \$66.9 million for outreach activities and household protections kits to promote safe behaviors; and \$269.1 million to ensure an adequate supply of personal protective equipment (PPE), which includes procurement, transport, and warehousing of PPEs. An additional \$190 million is for addressing the food insecurity which has been worsened by the establishment of Ebola quarantine zones in the Ebola-affected areas resulting in reduced production; loss of labor, livelihoods, and transportation services; and higher food prices. Another \$16.1 million would fund increased staffing of the Disaster Assistance Response Team (DART) and USAID’s Response Management Team (RMT), and support for 20 additional staff funded by USAID’s Operation Expenses (OE) account.

Global Health Programs (GHP)—Within GHP, \$62 million is requested for disease surveillance, laboratories, rapid response teams, and risk mitigation in the three Ebola-affected countries; and \$278 million is for the Global Health Security Agenda to establish Ebola Preparedness Plans to rapidly detect and control any introduction of Ebola in currently unaffected countries in the region.

Economic Support Fund (ESF)—\$71.7 million of ESF emergency funding is requested to address second-order impacts in Ebola-affected countries and critical innovations in responses to the epidemic. Examples include broadcasting of primary and secondary classes to school-aged students and investing in Information and Communication Technology to establish a network that is to facilitate data sharing and disease surveillance during the outbreak and that can be used in a potential future crisis. \$60 million is for rebuilding non-Ebola health services in Liberia, Sierra

¹⁶ West Africa – Ebola Outbreak – Fact Sheet #1 (FY15), USAID, October 1, 2014, and West Africa – Ebola Outbreak – Fact Sheet #8 (FY2015), USAID, November 19, 2014. <http://www.usaid.gov/ebola/>.

¹⁷ Emergency Request Justification, Department of State, Foreign Operations, and Related Programs, FY2015.

Leone, and Guinea; and \$66 million is for longer-term strengthening of basic health services in the Ebola-affected countries.

Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)—\$5.3 million is for existing NADR expertise of securing dangerous pathogens to be used for training of local law enforcement on imposing quarantines and securing facilities that store the Ebola virus; handling and disposing of Ebola-contaminated items; and for biosecurity and related capacity building.

Diplomatic Engagement—\$71.4 million is for Diplomatic and Consular Programs (D&CP), U.S. Contributions to International Organizations (CIO), and Repatriation Loans that would pay for evacuations of U.S. government patients, oversight of the department efforts, outreach and reporting by VOA, U.S. contributions to the U.N. Mission for Emergency Ebola Response (UNMEER), and repatriation loans to American citizens who are exposed to the virus and need to be returned to the United States using proper, but expensive, protocol.

Contingency Fund—The request designates \$792 million of ESF funds as a Contingency Fund that would be available until expended. This amounts to 27% of the SFOPs emergency request. The Contingency Fund would be available for critical needs related to the Ebola outbreak and global health security. The measure authorizes broad transfer authority of these funds to other accounts in the Department of State, USAID, or other federal agencies, provided that transfers are done in consultation with the Office of Management and Budget (OMB), only for amounts designated by the President to address critical Ebola crisis needs, in addition to existing transfer authority, and with a 10-day advance notification to the House and Senate Appropriations Committees. “Notwithstanding any other provision of law” language, arguably, would allow these funds to be used in countries that currently are prohibited from receiving U.S. foreign aid if they meet the criteria that there is a critical need related to Ebola in that country.¹⁸ The Administration states that the transfer authority and the general provisions requested would provide the flexibility and whole-of-government approach that it says is needed to address potentially rapid changes in the Ebola crisis.

Table 2. State Department/USAID/Agriculture Ebola Funds, FY2014 Annual Budget Estimates and FY2015 Emergency Request
(In \$ thousands)

	FY2014	FY2015 Emergency Request
International Disaster Assistance (IDA)	\$43,936	\$1,400,973
Global Health Programs(GHP)/USAID	\$13,950	\$340,000
Economic Support Fund (ESF)		\$211,725
International Organizations and Programs (IO&P)		\$50,300
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)		\$5,300

¹⁸ Foreign aid may be suspended or denied for a range of foreign policy and national security reasons, including support of international terrorism, human rights violations, trafficking in persons, trafficking in illicit narcotics, coercive family planning programs, denial of religious freedom, disrupting regional stability, engaging in weapons proliferation, to name a few. The United States currently maintains robust sanctions regimes against foreign governments it has identified as supporters of acts of international terrorism (Cuba, Iran, Sudan, Syria), nuclear arms proliferators (Iran, North Korea, Syria), egregious violators of international human rights standards (Belarus, Burma, Cuba, Iran, North Korea, Russia, Syria), and those threatening regional stability (Iran, North Korea, Russia, South Sudan, Sudan, Syria).

	FY2014	FY2015 Emergency Request
USAID/Operating Expenses (OE)		\$19,037
USAID Inspector General (IG)		\$5,626
Diplomatic & Consular Programs (D&CP)		\$35,420
U.S. Contributions to International Orgs. (CIO)		\$35,000
Repatriation Loans		\$1,000
Ebola Contingency Funds		\$792,000
Food for Peace (FFP)	\$6,605	—
Total	\$64,491	\$2,896,381

Source: Department of State email communication on October 15, 2014, and the Department of State, Foreign Operations, and Related Programs Emergency Request Justification, FY2015.

Notes: The FY2015 CR (P.L. 113-164) provides budget authority for all accounts, including these, through December 11, 2014, at a rate for operations that is generally at the FY2014 funding level, minus a small across-the-board adjustment. This budget authority is apportioned at a rate determined by OMB.

Department of Defense

President Obama announced on September 16, 2014, an increase in the U.S. response to the current Ebola outbreak in West Africa. Part of that included DOD requests to reprogram excess Overseas Contingency Operations (OCO) funds appropriated for FY2014 to become available to support the Overseas Humanitarian Disaster and Civic Aid (OHDACA) account. DOD submitted two separate prior approval reprogramming requests totaling \$1 billion dated September 8 and September 17 to the House and Senate Appropriations and Armed Services Committees. The committees approved the reprogramming, but with limitations requiring additional DOD action prior to use of the funds. As of November 17, 2014, the committees had approved DOD’s use of up to \$750 million of the reprogrammed funds for the Ebola crisis, in part as directed by USAID. The stated purposes for the reprogrammed funds include¹⁹

- transportation of DOD and non-DOD personnel and supplies;
- coordinating delivery of supplies from both DOD and non-DOD sources such as isolation units, personnel protective equipment (PPE), and medical supplies;
- construction of Ebola treatment units (ETU); and
- training and education in support of sanitation and mortuary affairs functions to limit the spread of the Ebola outbreak.

For FY2015, the Administration’s emergency supplemental seeks \$112 million for the Defense Advanced Research Project Agency (DARPA). These funds would support medical research efforts in the United States aimed at developing Ebola treatments and preventive measures. This includes new research focused on utilizing the antibodies of Ebola survivors to provide temporary immunity for infected patients until an effective vaccine can be developed and the accelerated

¹⁹ Prior Approval Reprogramming Request FY14-16 dated September 6, 2014, “September 2014 Prior Approval Request,” available at http://comptroller.defense.gov/Portals/45/Documents/execution/reprogramming/fy2014/prior1415s/14-16_PA_September_2014_Request.pdf and Prior Approval Reprogramming Request FY14-17 dated September 16, 2014, “Additional Ebola Response” available at http://comptroller.defense.gov/Portals/45/Documents/execution/reprogramming/fy2014/prior1415s/14-17_PA_Ebola_Response.pdf.

development and testing of new Ebola vaccines and diagnostics.²⁰ DARPA's Biological Technologies Office (BTO) has previously funded medical research initiatives. Possible objections to this emergency funding request might include whether this request meets the criteria of an "emergency," given that the request supports "on-going research efforts," or whether the proposed use of the funding is within DOD's core mission.²¹

Amended OCO Funds to Combat the Islamic State

On November 10, 2014, the Administration amended its FY2015 Overseas Contingency Operations request by adding \$5 billion for DOD and \$520 million for the Department of State to support efforts to combat the Islamic State (IS). These amendments bring the FY2015 OCO request to a total of \$71.4 billion—\$7.8 billion for State and \$63.6 billion for DOD. This compares with \$91.9 billion—\$6.5 billion for State and \$85.4 billion for DOD—appropriated in FY2014. Budget authority designated as Overseas Contingency Operations/Global War on Terrorism (OCO/GWOT), which is how all OCO funds are designated, is effectively not subject to the statutory discretionary spending limits established by the BCA.²²

Department of Defense

As of November 12, 2014, DOD estimated that \$776 million had been spent to conduct the IS campaign, an average of \$8 million a day.²³ Initially, DOD financed airstrikes and the deployment of U.S. military personnel to Iraq to conduct an assessment and provide advice using OCO funds already appropriated for FY2014. Starting October 1, 2014, DOD tapped OCO-designated funds in the FY2015 CR. For example, DOD used OCO-designated FY2015 O&M, Navy and O&M, Air Force funds to conduct air strikes in Iraq and Syria based on the type of expenses involved. This practice of relying on current funding until supplemental funding is provided later in the year is known as "cash flowing" (see **Table 3**).

Starting October 1, 2014, incremental costs of the new Iraq and Syria operations (named Operation Inherent Resolve) are being paid for from funds appropriated by Congress in the FY2015 Continuing Resolution (CR, H.J.Res. 124/P.L. 113-164). Under the CR, OCO for DOD is appropriated at a rate of operations based on the \$85.4 billion in OCO funds enacted in FY2014. This is \$26.6 billion above the FY2015 request of \$58.6 billion.

The FY2015 CR also provided DOD with temporary new authority to conduct Syria train and equip operations, but did not provide dedicated funds as requested. Instead, funds may be made available to the extent that DOD requests and the four congressional defense committees approve reprogramming of other available funds.²⁴ The Administration submitted its first reprogramming

²⁰ "Department of Defense Research, Development, Test, and Evaluation," p. 21 of the enclosure letter from the Director of the Office of Management and Budget to the President submitting the FY2015 emergency appropriations request, November 5, 2014. See <http://go.usa.gov/HPgH>.

²¹ Ibid.

²² See footnote 3.

²³ DOD, Special Report, Operation Inherent Resolve, Targeted Operations Against ISIL Terrorists, November 15, 2014; http://www.defense.gov/home/features/2014/0814_iraq/?cid=social_20141003_32807066.

²⁴ §149, P.L. 113-164. The committees are the House and Senate Armed Services Committees and the House and Senate Appropriations Committees.

request for \$225 million to support this program on November 10, 2014. The CR permits a broad range of training and support activities and requires vetting of Syrian participants. The authority would be extended until December 31, 2016, under Section 1209 of the conference version of the proposed FY2015 National Defense Authorization Act (NDAA; S. 1847), released on December 2, 2014.

The November 10, 2014, amended FY2015 DOD/OCO request of \$5.0 billion is for

- incremental military personnel expenses (e.g., hardship pay) for U.S. military supporting Operation Inherent Resolve (OIR);
- fuel, supplies, and repair costs for ground operations, flying hours, and steaming hours of ships in the region, as well as other support;
- command, control, and intelligence activities, and intelligence, surveillance, and reconnaissance, and classified activities;
- replacement of expended munitions (e.g., Hellfire, Maverick, Tomahawks); and
- building the capacity of Iraqi security forces and Kurdish and tribal forces, providing support to coalition members, and other small-scale humanitarian relief and reconstruction.²⁵

Table 3. DOD’s OCO Funding: FY2014 Enacted to FY2015 Supplemental Request
In Billions of Dollars of Budget Authority

Title	FY2014 Enacted (P.L. 113-76)	FY2015 Request ^a	FY2015 CR (H.J.Res. 124/P.L. 113-164) ^b	FY2015 amendment ^c	Total FY2015 Req.
Military Personnel	8.15	5.45	8.15	0.14	5.60
Operation & Maintenance	69.68	42.07	69.68	2.32	44.38
Procurement	7.11	6.03	7.11	0.83	6.86
RDT&E	0.14	0.08	0.14	0.14	0.22
Military Construction	0.00	0.05	0.00	0.00	0.05
Family Housing	0.00	0.00	0.00	0.00	0.00
Revolving & Mgt. Funds	0.26	0.09	0.26	0.00	0.09
Iraq Train & Equip	0.00	0.00	0.00	1.62	1.62
Counterterrorism Partnerships Fund (CTPF)	0.00	4.00	0.00	0.00	4.00
European Reassurance Initiative (ERI)	0.00	0.93	0.00	0.00	0.93
Total OCO	85.34	58.69	85.34	5.05	63.74
Rescissions	na	-0.12	na	0.00	-0.12
Total OCO Adjusted	85.35	58.57	85.35	5.05	63.62

Sources: Table I in Department of Defense, Fiscal Year 2015 Budget Amendment, Overview, Overseas Contingency Operations, June 2014; http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015_Budget_Request_Overview_Book_Amended.pdf, and DOD, Office of the Under Secretary of Defense (Comptroller) Fiscal Year

²⁵ DOD, Office of the Under Secretary of Defense (Comptroller) *Fiscal Year (FY) 2015 Overseas Contingency Operations (OCO) Budget Amendment Update*, p. 2 and p. 3, November 2014; http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY15_OCO_Budget_Amendment_Update.pdf

(FY) 2015 Overseas Contingency Operations (OCO) Budget Amendment Update, November 2014; http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY15_OCO_Budget_Amendment_Update.pdf.

- a. Reflects DOD amended OCO request for Afghan war and Office of Security Cooperation-Iraq, submitted June 2014.
- b. Estimates of annualized budget authority. The FY2015 CR provides OCO budget authority at a rate for operations through December 11, 2014.
- c. Reflects DOD's FY2015 amended OCO request of November 10, 2014, to conduct Operation Inherent Resolve (OIR) against the Islamic State of Iraq and the Levant in Syria and Iraq. Except for the FY2015 amendment, there are no funds to counter IS.

New Iraq Train & Equip Authority

Under its request for broad authority to train and equip Iraqi and other security forces, DOD would

provide assistance to military and other security forces of, or associated with, the Government of Iraq, including Kurdish and tribal security forces, with a national security mission, to counter the Islamic State in Iraq and the Levant, including the provision of equipment, supplies, services, training, facility and infrastructure repair, renovation, construction, and stipends....²⁶

The Administration is also requesting authority for the Secretary of Defense to waive “any other provision of law that would otherwise prohibit, restrict, limit or otherwise constrain the obligation or expenditure of [these] funds.”²⁷ Typically, Congress has not accepted this kind of exception.

In order for the requested funds to be fully obligated, the proposal would require Iraqi, Kurdish, and tribal security forces to contribute 40% of the \$1.6 billion DOD request (including in-kind contributions), with at least half of that contribution to come from the government of Iraq. Arms sales could not count toward the contribution.²⁸ The draft conference agreement of the FY2015 NDAA deletes the exclusion of arms sales.²⁹

The Administration is also asking to expand current coalition support authorities to include reimbursing Iraq for its logistical support expenses. In addition, \$15 million more would be provided for “emergencies and extraordinary payments” for “confidential military purposes,” typically intelligence support.³⁰

²⁶ Office of Management and Budget, Estimate #5—FY 2015 Budget Amendments: Department of Defense (DOD) and Department of State and Other International Programs (State/OIP) to implement the Administration’s Strategy to Counter the Islamic State of Iraq and the Levant (ISIL) and update the FY 2015 Overseas Contingency Operations funding levels for both DOD and State/OIP, p. 11, 11/10/14; http://www.whitehouse.gov/sites/default/files/omb/assets/budget_amendments/amendment_11_10_14.pdf.

²⁷ Ibid., p. 12.

²⁸ Ibid., p. 12.

²⁹ §1236 in Rules Committee print 113-58, House amendment to the text of S. 1847, <http://www.armed-services.senate.gov/imo/media/doc/CPRT-113-HPRT-RU00-S1847.pdf>.

³⁰ Ibid., p. 9.

Additional U.S. Military Personnel

DOD’s additional request would increase U.S. troop strength in and around Iraq and Afghanistan by some 4,000 in FY2015, including troops providing training and assistance in Iraq as well as providing additional support in the region. If the overall FY2015 OCO request is approved, troop strength in and around Iraq and Afghanistan would total 79,047 including 64,482 providing in-theater support (Table 4).

Table 4. U.S. Military Strength, FY2014-FY2015, Amended OCO

	FY2014 Enacted	FY2015 CR	FY2015 Request	FY2015 Supp.	Total FY2015 Req.
Afghanistan (OEF)	37,234	ns	11,661	0	11,661
Iraq (OIR)	0	ns	0	2,904	2,904
In-theater Support	61,071	ns	63,309	1,173	64,482
Total	98,305	ns	74,970	4,077	79,047

Sources: Figure 2 in Department of Defense, Fiscal Year 2015 Budget Amendment, Overview, Overseas Contingency Operations, June 2014; http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY2015_Budget_Request_Overview_Book_Amended.pdf, and DOD, Office of the Under Secretary of Defense (Comptroller) Fiscal Year (FY) 2015 Overseas Contingency Operations (OCO) Budget Amendment Update, November 2014; http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/amendment/FY15_OCO_Budget_Amendment_Update.pdf.

Notes: Figures reflect average strength.

- a. Figure 2 in the FY2015 November request appears to include an error, showing 2,577 as the sum of 2,904 additional troops in Iraq and 1,173 providing in-theater support; this table corrects that error.

Department of State and International Assistance Programs

While a precise FY2014 estimate of State Department funds to combat the Islamic State is not available, comparing the FY2014 estimates with the FY2015 November 10, 2014, amended request indicates an overall increase of nearly 9% for just the amended accounts. The largest percentage increase would be nearly 63% for Foreign Military Financing (FMF). Two accounts—Peacekeeping Operations (PKO) and IDA—would still be less after including the amendments than the FY2014 estimates (see Table 5).

For FY2015 Department of State efforts against IS, the \$520 million amendment includes

- \$8.6 million for D&CP to expand the Center for Strategic Counterterrorism Communications’ counterterrorism messaging in key languages and increase outreach and training programs aimed at countering IS propaganda;
- \$100 million for ESF to engage the moderate Syrian opposition and improve its capacity and credibility;
- \$250 million for FMF to support Jordan and Lebanon’s efforts to protect their national territory and maintain control over their borders;
- \$65 million for PKO to increase the capacity of the moderate Syrian opposition to counter IS;

- \$90 million for IDA to provide humanitarian support related to IS attacks in Syria and Iraq, including food, protection, shelter, clean water, and other supplies; and
- \$6.3 million to increase VOA broadcasting in Kurdish and Turkish language services, expand Middle East Broadcasting Network’s Alhurra and Radio Sawa efforts to amplify and provide a platform for moderate Muslims to voice opposition to extremism over TV, radio, and Internet platforms.

A requested amendment to the General Provisions says: *notwithstanding any other provision of law, funds appropriated under this Act may be used to provide assistance for the Syrian opposition.* If agreed to, this language would allow the Administration to use any FY2015 State, Foreign Operations appropriations account and either enduring or OCO funds for aid to the Syrian opposition. “The Syrian opposition” is not defined in the Administration’s proposal, and U.S. officials continue to acknowledge that the opposition suffers from a lack of organization and from infighting, and includes groups whose ideologies and goals may not be compatible with U.S. long-term preferences for the region. Congress granted a more fully defined notwithstanding authority for the ESF account in the FY2014 appropriations act and outlined criteria for the use of funds and created strategy and notification requirements in relation to the authority.³¹

Table 5. OCO:A Comparison of FY2014 Estimates vs. the FY2015 Amended Request for Accounts to Support Combatting IS

(In \$ Millions)

	FY2014	Nov. 10, 2014, Amendments	Total FY2015 Req., as amended	% change FY15 vs. FY14
D&CP	\$1,391.1	\$8.6	\$1,562.0	+12.3%
ESF	\$1,656.2	\$100.0	\$1,778.4	+7.4%
FMF	\$530.0	\$250.0	\$862.0	+62.6%
PKO	\$200.0	\$65.0	\$180.0	-10.0%
IDA	\$924.2	\$90.0	\$725.0	-21.6%
Int'l Broadcasting Operations	\$4.4	\$6.3	\$6.3	+43.2%
Total	\$4,705.9	\$519.9	\$5,113.7	+8.7%

Source: The Department of State Congressional Budget Justification, FY2015, the White House Amendment of June 26, 2014, and the White House Amendment of November 10, 2014.

³¹ Section 7041(i) of Division K of the FY2014 Consolidated Appropriations Act (H.R. 3547, P.L. 113-76) significantly expanded the Administration's authority to provide nonlethal assistance in Syria for certain purposes using the Economic Support Fund (ESF) account. Such assistance had been restricted by a series of preexisting provisions of law (including some terrorism-related provisions) that required the President to assert emergency and contingency authorities to provide such assistance to the Syrian opposition and communities in Syria. The new authority made FY2014 and prior-year ESF funding available “notwithstanding any other provision of law for nonlethal assistance for programs to address the needs of civilians affected by conflict in Syria, and for programs that seek to— (A) establish governance in Syria that is representative, inclusive, and accountable; (B) develop and implement political processes that are democratic, transparent, and adhere to the rule of law; (C) further the legitimacy of the Syrian opposition through cross-border programs; (D) develop civil society and an independent media in Syria; (E) promote economic development in Syria; (F) document, investigate, and prosecute human rights violations in Syria, including through transitional justice programs and support for nongovernmental organizations; and (G) counter extremist ideologies.”

Notes: This table presents only the OCO accounts that would be amended by the President's November 10, 2014, request. For more detail on State Department OCO funds, see CRS Report R43569, *State, Foreign Operations, and Related Programs: FY2015 Budget and Appropriations*, by Susan B. Epstein, Alex Tiersky, and Marian L. Lawson.

Issues for Congress

Contingency Funds. Some have expressed concern about the request for \$1.54 billion in an Ebola Contingency Fund for HHS and State. As worded in the request, the broader transfer authority, in addition to existing authority, would allow these funds to be transferred to any agency and among appropriation accounts, as long as the funds are used “for emergency expenses related to the humanitarian, economic, and stabilization crisis due to the Ebola outbreak.” Of further note is the notwithstanding language included in the SFOPs ESF Contingency Fund. That would allow these funds to be provided to countries that may currently be prohibited in law from receiving U.S. aid, or otherwise bypass other congressional restrictions or mandates.

The Administration states that given the changing nature of the Ebola epidemic and the need to address unforeseen outbreaks before they become epidemics, HHS and State Department Contingency Funds must be accompanied by the authority giving the Administration “maximum flexibility to respond quickly,” both domestically and overseas.³² Only the funds designated by the President as critical to address the Ebola outbreak and global health security would be obligated, according to the request, and a 10-day advance notification to House and Senate Appropriations Committees is required before funds are transferred. The Administration says that structuring the Contingency Fund in this way would support its whole-of-government approach, while allowing the Secretaries of HHS and State to oversee the allocation of the funds toward the most pressing needs.

Ebola Emergency Response Act (H.R. 5710). On November 14, 2014, Representative Christopher Smith (NJ) introduced the Ebola Emergency Response Act (H.R. 5710). It would authorize \$1.801 billion for FY2015 emergency aid for countries directly affected by an Ebola outbreak. Similar to the President's request, it includes notwithstanding language and requires consistency with International Disaster Assistance law within Section 491 of the Foreign Assistance Act of 1961 that would allow any country to receive U.S. aid for natural or manmade disasters and humanitarian concerns.

The legislation is an authorization of funds, not an appropriation, and also authorizes the President to use resources from any agency on a non-reimbursable basis, subject to consent of the agency head and notwithstanding any provision of law related to limitations on the use of authorities or funding of such other agency. The bill would require notification to the House Committees on Foreign Affairs, Energy and Commerce, Armed Services, and Appropriations, and the Senate Committees on Foreign Relations, Health, Education, Labor, and Pensions, Armed Services, and Appropriations within 15 days *after* use of this authority. A report to the above congressional committees is required within 6 months after the Ebola epidemic has been contained.

³² Enclosed letter from the director of the Office of Management and Budget to the President submitting the FY2015 emergency appropriations request, November 5, 2014.

State Department amended OCO for combatting IS. Within the amended SFOPs OCO request is a General Provision notwithstanding language that would allow any FY2015 funding in the SFOPs appropriations act (not just OCO) to be used for combatting IS. This would allow both enduring and OCO funds to be used to support the Syrian opposition.

DOD amended OCO for Combatting IS. Congress may revisit the OCO funding level in final action on FY2015 appropriations and may reduce the amount (currently at higher FY2014 levels) closer to the FY2015 request. Congress may revise the temporary Syria train-and-equip authority provided in the FY2015 CR.

In addition, Congress may raise several budgetary and policy questions about the new request:

- Could all or some of the additional \$5.0 billion request be accommodated within the original \$58.6 billion OCO request, since there are indications that DOD's June request may be larger than needed?³³
- What are the pros and cons of the requested train-and-equip authority for Iraq, and how might it be modified to narrow its scope and increase congressional oversight? And is the cost-sharing arrangement proposed practical?
- Would Congress want to define or limit the missions of U.S. troops deployed in Iraq or in Syria?

OCO and Emergency Spending Designations. The President's \$6.18 billion request to counter Ebola would designate that budget authority as "emergency" requirements and the \$5.5 billion budget authority to counter the Islamic State as "OCO/GWOT." If budget authority was enacted that was designated in this manner, it would effectively be exempt from the statutory discretionary spending limits.³⁴ If Congress were to consider appropriations that were designated as an emergency, a point of order against that designation may be raised in the Senate, which requires 60 votes to waive.³⁵ That Senate point of order does not apply to funds designated as OCO/GWOT.

Author Contact Information

Susan B. Epstein, Coordinator
Specialist in Foreign Policy
sepstein@crs.loc.gov, 7-6678

Sarah A. Lister
Specialist in Public Health and Epidemiology
slister@crs.loc.gov, 7-7320

Amy Belasco
Specialist in U.S. Defense Policy and Budget
abelasco@crs.loc.gov, 7-7627

Don J. Jansen
Specialist in Defense Health Care Policy
djansen@crs.loc.gov, 7-4769

³³ DOD obligations for FY2014 have been slower than in the previous five years, suggesting that substantial one-year monies may expire prior to being obligated. In addition, DOD requested reprogrammings using \$2.6 billion O&M, Army as a source because the withdrawals have been faster than anticipated. If less funds are needed in FY2014, and the withdrawal is ahead of schedule, the FY2015 request may also be overstated.

³⁴ Such designations are pursuant to §251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985.

³⁵ If the point of order is not waived, the emergency designation is stricken. See CRS Report R41564, *Emergency Designation: Current Budget Rules and Procedures*, by Bill Heniff Jr.