

May 12, 2014

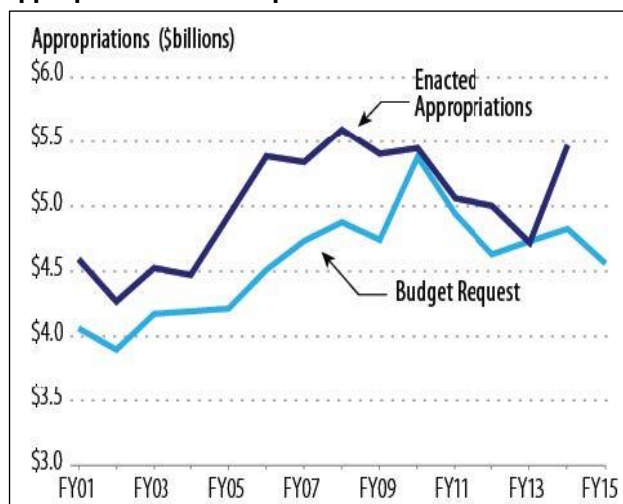
Army Corps Civil Works Funding: A Primer

Overview

The U.S. Army Corps of Engineers (Corps) is an agency in the Department of Defense with both military and civil works responsibilities. At the direction of Congress, the Corps plans, builds, operates, and maintains a range of water resource and related recreation facilities. Its civil works responsibilities are principally to support navigation, reduce flood and storm damage, and protect and restore aquatic ecosystems. The agency also has several water resources regulatory responsibilities and issues multiple types of permits. Congress typically funds Corps civil works activities through annual Energy and Water Development Appropriations acts. Congress often provides more funds than requested by the Administration, as shown in **Figure 1**.

Prior to attention and restrictions on congressionally directed spending, much of the additional funding provided by Congress was designated for use on specific studies or projects. More recently, Congress has provided “additional funding” for sets of Corps activities, without identifying specific projects. In doing so, Congress has provided guidance to the Administration on the types of projects that should receive those funds and often requires the Administration to report back on which projects it selects to receive these funds. “Additional funding” represented \$777 million in FY2014 and \$510 million in FY2012, respectively representing 14% and 10% of the agency’s budget in those years.

Figure 1. Annual Budget Request and Enacted Appropriations for Corps Civil Works



Source: Congressional Research Service, using Corps data.

Corps Funding Is Divided into Budget Accounts

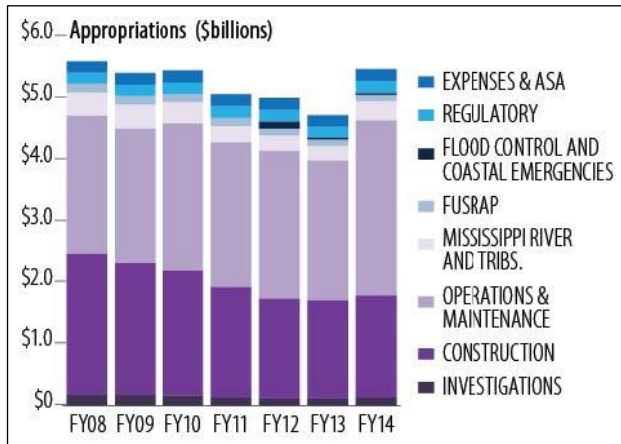
Congress provides money to the Corps generally by designating specific amounts for various budget accounts in

appropriations laws. The accompanying congressional reports, which are sometimes incorporated into law by reference, often identify specific Corps projects to receive appropriated funds. With the heightened attention to and restrictions on congressionally directed spending, the projects identified in these reports have been limited largely to the projects included in the President’s budget request (i.e., new line items have not been added by Congress at the project level). Since FY2010, congressional action on Corps appropriations has generally been limited to (1) alteration of the amounts requested for individual projects in the President’s request; and (2) provision of “additional funding” for sets of Corps activities that were not provided for in the President’s Budget.

Army Corps annual appropriations are increasingly directed to project operations and maintenance.

Figure 2 shows Corps funding by budget account since FY2009. Funding for the Operations and Maintenance (O&M) account has made up a growing portion of the Corps funds over this time, while the budget for the Construction account has been reduced. Maintenance funding for harbor-related maintenance activities is funded in part from the Harbor Maintenance Trust Fund (HMTF). This trust fund receives revenues from taxes on waterborne commercial cargo imports and on cruise ship passengers at federally maintained ports. Similarly, roughly half of inland waterways construction appropriations are from the Inland Waterways Trust Fund (IWTf), which receives the proceeds of a fuel tax on barge fuel for vessels engaged in commercial transport on designated waterways. While the HMTF has a large surplus balance, the IWTf faces revenue shortages that may prevent it from maintaining historical levels of expenditures.

The nonfederal demand for and pace of congressional authorization exceeds the agency’s construction funding. The agency has roughly \$60 billion in authorized new construction and major rehabilitation work, while its construction appropriations averaged \$1.7 billion from FY2010 to FY2014.

Figure 2. Corps Annual Appropriations by Budget Account

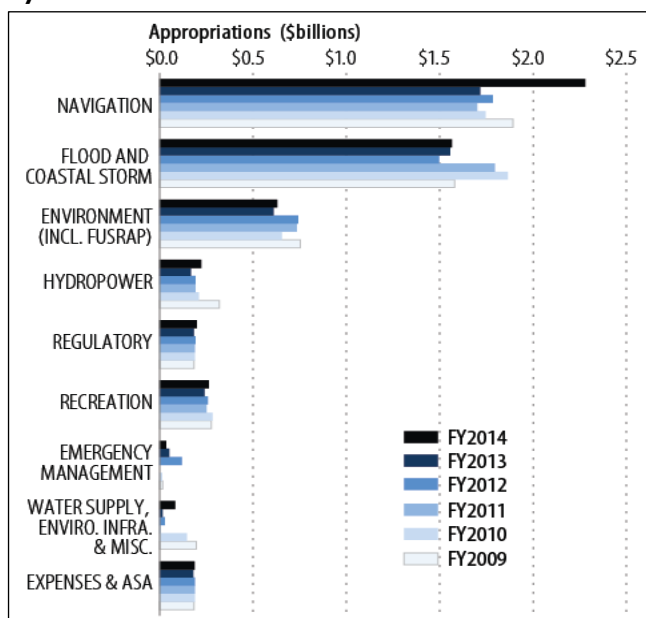
Source: Congressional Research Service, using Corps data.

Notes: Some smaller accounts have been grouped together.

FUSRAP = Formerly Utilized Sites Remedial Action Program.

Army Corps Also Budgets by Business Line

The Corps also organizes its funding by business line (i.e., type of activity), as shown in **Figure 3**. Navigation and flood and coastal storm damage reduction projects receive the majority of Corps appropriations. Navigation funding increased in enacted appropriations for FY2014, due in large part to increased funding for Harbor Maintenance activities. The Corps' environmental activities include aquatic ecosystem restoration, environmental stewardship, and environmental remedial actions under the Formerly Utilized Sites Remedial Action Program (FUSRAP). Through FUSRAP, the Corps provides environmental remediation or control of sites involved in the early years of the U.S. nuclear weapons program.

Figure 3. Corps Annual Civil Works Appropriations by Business Line

Source: Congressional Research Service, using Corps data.

Corps Annual Appropriations Have Been Supplemented by Other Funds

Owing to storms and hurricanes, Congress in recent years has regularly provided supplemental funds to the Corps for its emergency response activities. The majority of the supplemental funds were provided to the Corps Flood Control and Coastal Emergencies (FCCE) account, with supplemental funds also at times provided to the Construction, O&M, and other accounts. These funds are provided in addition to the annual appropriations shown in **Figure 2**.

Since 1987, Congress has provided to the Corps approximately \$32.2 billion in supplemental appropriations. Of this total, \$30.8 billion has been provided since 2003; this is about half of the agency's \$61.3 billion in total regular annual appropriations over the same period. The majority of these supplemental appropriations funded Corps flood-fighting activities, repairs, and storm damage infrastructure investments (e.g., activities in response to the 2005 hurricanes including Hurricane Katrina, 2008 Midwest floods, and 2011 Missouri and Mississippi floods). In January 2013, Congress provided the Corps with \$5.3 billion in supplemental appropriations to respond to Hurricane Sandy's landfall in 2012. Much of this funding is expected to be available for construction projects over a multi-year horizon. (For detailed information on Corps supplemental spending, see CRS Report R42841, *Army Corps Supplemental Appropriations: Recent History, Trends, and Policy Issues*, by Charles V. Stern and Nicole T. Carter.)

Charles V. Stern,
Nicole T. Carter,

IF10186

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.