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Appropriations for FY2000: Military Construction

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bounded by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Appropriations Subcommittees on Military Construction Appropriations. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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Appropriations for FY2000: Military Construction

Summary

The military construction (MilCon) appropriations bill finances (1) military construction projects in the United States and overseas; (2) military family housing operations and construction; (3) U.S. contributions to the NATO Security Investment Program; and (4) most base realignment and closure costs.

This paper reviews the appropriations and authorization process for military construction. The congressional debate perennially centers on the adequacy of the President's budget for military construction needs and the necessity for congressional add-ons, especially for Guard and Reserve projects. In recent years, Congress has pointed out that the Pentagon has not funded nor planned adequately for military construction.

The Administration has asked the Congress to approve an unusual funding mechanism for the FY2000 military construction program, in order to fit its defense budget request within the caps set on total discretionary spending in the Budget Enforcement Act of 1997. For FY2000, the Administration has requested budget authority of $5.4 billion, which is only part of the funding necessary to carry out the proposed projects. The rest of the FY2000 military construction program would be funded by advance appropriations of $3.1 billion in FY2001. (In this advance appropriations proposal, Congress would approve the $3.1 billion now for the FY2000 program, which would be spent and scored in FY2001.) Adding the split FY2000 request with the advance appropriations request brings the total value of the proposed FY2000 military construction program to $8.5 billion. This total continues a downward trend from the FY1996 level of $11.2 billion, the FY1997 level of $9.8 billion, the FY1998 level of $9.3 billion and the FY1999 level of $8.7 billion.

Appropriations and authorization hearings on the FY2000 military construction budget have highlighted the following issues:

- split funding and advance appropriations proposal for the FY2000 military construction budget request,
- long-term planning for the military construction program, and
- implementation of privatization of the military family housing initiative.

The conference committee for military construction appropriations printed its conference report (H.Rept. 106-266) on July 27, 1999. The conference report agreed to a total $8.4 billion military construction appropriation, which is $776 million less than current FY1999 funding. The conference split the difference between the Senate- approved $8.3 billion and House-approved $8.5 billion amounts. The House passed the conference report on July 29, 1999, by a vote of 412-8.

Key Policy Staff

Area of Expertise	Name	CRS Division	Tel.
Base Closure	David Lockwood	FDT	7-7621
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Division abbreviations: FDT = Foreign Affairs, Defense, and Trade.

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Most Recent Developments

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Background: Content of Military Construction Appropriations and Defense Authorization Bills

The Department of Defense (DOD) manages the world's largest dedicated infrastructure, covering over 40,000 square miles of land and a physical plant worth over $500 billion. The military construction appropriations bill provides a large part of the funding to maintain this infrastructure. The bill funds construction projects and real property maintenance of the active Army, Navy & Marine Corps, Air Force, and their reserve components; defense-wide construction; U.S. contributions to the NATO Security Investment Program (formerly called the NATO Infrastructure Program); and military family housing operations and construction. The bill also provides funding for the Base Realignment and Closure (BRAC) account, which finances most base realignment and closure costs, including construction of new facilities for transferred personnel and functions, and environmental cleanup at closing sites.

The military construction appropriations bill is only one of several annual pieces of legislation that provide funding for national defense. Other major legislation includes (1) the defense appropriations bill, that provides funds for all military activities of the Department of Defense, except for military construction; (2) the national defense authorization bill, that authorizes appropriations for national defense[1], and (3) the energy and water development appropriations bill, that provides funding for atomic energy defense activities of the Department of Energy. Two other appropriations bills, VA-HUD-Independent Agencies and Commerce-Justice-State, also include small amounts for national defense. In addition, the energy and water

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[1] See *Appropriations for FY2000: Defense*, by Stephen Daggett, CRS Report RL30205, for details on the defense authorization and appropriation process.

development appropriations bill provides funds for civil projects carried out by the U.S. Army Corps of Engineers.

The annual defense authorization bill authorizes all the activities in the defense appropriation measures described above. Therefore, major debates over defense policy and funding issues, including military construction can be also found in the authorization bill. Since issues in the defense authorization and appropriations bills intertwine, this report highlights salient parts of the authorization bill, along with the military construction appropriation process.

The separate military construction appropriations bill dates to the late 1950s when a large defense build-up occurred in response to intercontinental ballistic missile threats and the Soviet launch of Sputnik. Defense construction spending soared, as facilities were hardened, missile silos were constructed, and other infrastructure was built. The appropriations committees established military construction subcommittees to deal with this new level of activity. Consequently, the separate military construction bill was created. The first stand-alone military construction bill was in FY1959, P.L. 85-852. Previously, military construction funding was provided through annual defense appropriations or supplemental appropriations bills.

Military construction appropriations are the major, but not the sole, source of funds for facility investments by the military services and defense agencies. The defense appropriations bill provides some funds for real property maintenance in operation and maintenance accounts. In addition, funds for construction and maintenance of Morale, Welfare, and Recreation-related facilities are partially provided through proceeds of commissaries, recreation user fees, and other income.

Most funds appropriated by Congress each year must be obligated in that fiscal year. Military construction appropriations are an exception, since these funds are made available for obligation for five fiscal years.

Consideration of the military construction budget starts when the President's budget is delivered to the Congress in February. For FY2000, the President requested $5.4 billion in funding for the military construction program and advance appropriations[2] request of $3.1 billion to be scored in FY2001.

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[2] From Congressional Quarterly's "Glossary of Congressional Terms", an Advance Appropriation is defined as: in an appropriation act for a particular fiscal year, an appropriation that does not become available for spending or obligation until a subsequent fiscal year. The amount of the advance appropriation is counted as part of the budget for the fiscal year in which it becomes available for obligation. The Glossary can be found at [http://lcweb.loc.gov/crs/legproc/newformat/Glossary/].

Status

Table 1 shows the key legislative steps necessary for the enactment of the FY2000 military construction appropriation.

Table 1. Status of Military Construction Appropriations, FY2000

Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conference Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
7/2/99	6/10/99	H.Rept. 106-221	7/13/99	S.Rept. 106-74	6/16/99	H.Rept. 106-266	7/29/99	—	—

Note: — no action yet.

Military Construction Appropriations

Conference Action. On July 27, 1999, the conference committee released its military construction appropriations report, H.Rept. 106-266. The conference report agreed to a total $8.4 billion military construction appropriation, which is $776 million less than current FY1999 funding. The conference split the difference between the Senate- approved $8.3 billion and House-approved $8.5 billion amounts.

The House passed the conference report on July 29, 1999, by a vote of 412-8.

Senate Action. On June 10, 1999, the Senate Appropriations Committee (SAC) finished marking up its version of the FY2000 military construction bill, S. 1205 (S.Rept. 106-74). The Senate passed the bill with no amendments on June 16, 1999, by a vote of 97-2.

The SAC decided, as written in its report (S.Rept 106-74) to:

- fully fund the President's budget request,
- reject the advance appropriations proposal,
- direct DOD to fully fund future military construction projects in the future,
- cut "excess" funding for construction contingencies (S. 1205, Sec. 125),
- create a new Family Housing Revitalization Transfer Fund to fund family housing improvement projects, and
- recommend only $25 million for the Family Housing Improvement Fund, based on adjusted estimates of number of housing privatization projects.

The SAC report also highlighted the Committee's concern over the Pentagon's acquisition and planning for forward operating locations for drug interdiction and counter-drug activities. The proposal was to construct three bases in Costa Rica, Ecuador, and Curacao using funds from the "Drug Interdiction and Counter-drug Activities, Defense" appropriations. The SAC believes that it is premature to appropriate funds for these bases until Congress has been provided a long-range master plan for each location. The Committee directed the Pentagon to submit future

requests for specific military construction projects in support of drug interdiction and counter-drug activities as a part of the budget request for military construction. Therefore, the Committee only recommended $5.0 million of planning and design funds, instead of the $42.8 million that the Pentagon requested.

House Action. On July 2, 1999, the House Appropriations Committee (HAC) finished marking up its version of the FY2000 military construction bill, H.R. 2465 (H.Rept. 106-221). The House passed the bill with no amendments on July 13, 1999, by a vote of 418-4. The HAC decided, like the SAC, to:

- fully fund the President's budget request,
- reject the advance appropriations proposal,
- direct DOD to fully fund future military construction projects in the future, and
- cut "excess" funding for construction contingencies (H.R. 2465, Sec. 128).

Authorization Process

On May 14, the Senate Armed Services Committee's (SASC) FY2000 defense authorization bill (S. 1059) rejected the Administration's advanced appropriations request and instead approved the entire $8.5 billion request and added $250 million. The SASC included $200 million in high-priority projects submitted by the military services that were not funded in the President's request and more than $140 in quality of life projects such as barracks, family housing, and child development centers. On May 27, 1999, the Senate approved its version of the FY2000 defense authorization bill, S. 1059, by a vote of 92-3.

On May 19, the House Armed Services Committee's (HASC) FY2000 defense authorization bill (H.R. 1401) rejected the Administration's advanced appropriations request and instead approved the entire $8.5 billion request and added $100 million. The HASC added nearly $1.1 billion to the President's military housing request for military family housing, which the committee sees as a priority. On June 10, 1999, the House passed its version H.R. 1401, on a vote of 365 - 58.

On July 1, the House Armed Services Subcommittee on Installations and Facilities had a hearing on economic development conveyances. The hearing was based on a Pentagon proposal to amend the statutory framework governing the economic development conveyance process for real property affected by the Base Realignment and Closure (BRAC) process. The proposal would give no-cost conveyances to local authorities to spur job creation and facility reuse. One downside is that the Pentagon will recoup less money from the BRAC process, and this could lead to the need for direct appropriations to help transition the no-cost conveyance properties. The Senate went ahead and added the Pentagon's proposal in its version of the defense authorization bill.

Key Policy Issues

Ongoing Congressional Concerns

Split Funding and Advance Appropriations Proposal for the FY2000 Military Construction Budget Request.[3] The Defense Department's FY2000 military construction budget plan includes $8.5 billion worth of projects, but the Administration is requesting only $5.4 billion in appropriations. The remaining $3.1 billion is requested as advance appropriations to be scored as new budget authority in FY2001. This $3.1 billion is money that normally would not be necessary for the approved projects until after the initial year of availability. Typically, military construction funds are available for obligation for five years, and only part of the money is obligated in the initial year of availability.

The Defense Department's normal practice -- known as the "full funding" policy[4] -- has been to request all of the funding needed for each military construction project in a single annual appropriation, though some projects have occasionally been funded incrementally. The request to provide "split funding" for FY2000 projects is not a change in policy, but a one-time exercise done only because of budget rules -- the intent is to reduce requested budget authority in FY2000, when caps on discretionary funding will remain in place, and restore the funding in FY2001, when, presumably, the caps will be adjusted upward.

The Administration took this unusual step to help the DOD fund $12.6 billion in additions to the FY2000 budget, compared to last year's plan for FY2000. The $12.6 billion in added defense programs for readiness and modernization lead to an increase of only $4.1 billion in the defense budget "topline." The remaining $8.5 billion in added programs is offset by (1) $3.8 billion in inflation and fuel price savings, (2) $1.6 billion in proposed rescissions of prior year funds and (3) $3.1 billion from FY2000 military construction program's split funding proposal.

Some observers believe that the House and Senate will look for alternatives to the Administration's proposal in order to fully fund the FY2000 military construction program. Because advance appropriations commits future funding, it also limits congressional discretion on those budget items in the future. In the FY1999 military construction budget debate, the defense appropriations and authorization committees rejected an Army proposal for advance appropriations to fund several large military construction projects.

During the hearings on the FY2000 military construction plan, members of the House Armed Services Committee and the Senate Appropriations Committee (SAC)

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[3] For information about how the Administration's FY2000 defense budget increases are financed within budget caps created by Budget Enforcement Act of 1997, see CRS Report RL30205, *Appropriations for FY2000: Defense*, by Stephen Daggett.

[4] DOD's official "full funding" policy, however, technically applies only to procurement accounts -- see Department of Defense Comptroller, Financial Management Regulations, Volume 2A, Budget Formulation and Presentation, June 1993, p. 1-18.

expressed skepticism that this will be only time they will be asked to defer funding for the military construction program. On March 23, Senator Burns, chairman of the SAC Subcommittee on Military Construction stated that fiscal challenges that led to the FY2000 military construction proposal will be present in years to come. He stated that this short-term fix could cost the American taxpayer more money as contractors may assume more risk associated with building military facilities for DOD, potentially increasing construction costs over the longer term.

Although the DOD states that the advance procurement is a one-time budget fix, the committees are wary that partial funding could become a regular pattern in future military construction budgets. Partial funding, the committees fear, could compound what they see as the problem of chronic underfunding of the military construction program.

Long-term Planning for Military Construction. Throughout the 1990s, the Congress and Administration have debated about whether military construction funding and long-term planning are adequate. Members of Congress have complained that poor planning and insufficient funding on the Pentagon's part has made it difficult for the Congress to insure that added military construction projects meet pressing priorities.

The Department of Defense uses a formal process called the Planning, Programming and Budgeting System (PPBS) to create its budget for Congress.[5] The PPBS process is also used to prepare DOD's internal, long-term financial plan. The long-term plan extends over a six-year period and is known as the Future Years Defense Plan (FYDP). In the 1990s, Congress has criticized the Pentagon's long-term planning for military construction.

In hearings on the FY2000 military construction request, legislators expressed continuing concern over military construction planning and the sufficiency of funding. Rep. Joel Hefley, Chair of the Military Installations and Facilities Subcommittee of the House Armed Services Committee argued at a hearing on March 16, 1999 that the FY2000 budget request -- like the previous FY1997-99 requests -- continues the poor planning and downward trend for military construction budgets. For the FY1997-2000 military construction requests, the Administration requested fewer funds than it had programmed in its budget assumptions in the previous years' FYDP. This mismatch between plans and funding was cited in the congressional criticism of the Pentagon's military construction planning. Since FYDP and requested amount decreases each year for military construction, Mr. Hefley states that he is finding it difficult to take Pentagon future plans for military construction seriously. That sentiment was echoed by the Senate Appropriations Military Construction Subcommittee chair -- Sen. Conrad Burns -- who expressed dismay at the lack of long-term planning seen in the FY2000 military construction proposal.

Implementation of the Privatization of Military Family Housing Initiative. In testimony to the House Armed Services Committee on March 9, 1999, Randall

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[5] For a discussion of the formulation of the defense budget proposal by the DOD, see CRS Report RL30002, *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

Yim — Acting Deputy Under Secretary of Defense (Installations) described the continuing problem of military family housing. He stated that approximately two-thirds of DOD's nearly 300,000 family housing units need extensive renovation or replacement. Yim also testified that fixing this problem using only traditional military construction methods would take 30 years and cost as much as $16 billion.

Recognizing the severity of this problem four years ago, the Congress enacted the Military Housing Privatization Initiative in the FY1996 Defense Authorization Act (P.L. 104-106). This gave the Pentagon new authorities to obtain private sector financing and expertise for military housing. The authorities are:

- guarantees, both loan and rental;
- conveyance or lease of existing property and facilities;
- differential lease payments;
- investments, both limited partnerships and stock/bond ownership; and
- direct loans.

The legislation enables the new authorities to be used individually, or in combination.[6] The Department of Defense's Housing Revitalization Support Office (HRSO) is coordinating the implementation of the new authorities for each of the Services[7]. HRSO is staffed with 16 full-time housing and real estate experts from each of the Services and the Office of Secretary of Defense, along with consultant support. The Pentagon estimates that with these authorities, defense dollars can be leveraged to build three times the amount of housing units financed the traditional way.

New policies and procedures in the Services and DOD were needed to implement the privatization initiative. A new mind-set of how to work with commercial real-estate practices and practitioners had to be formed. For example, Office of Management and Budget had to determine rules (approved in June 1997) to account for government obligations with each of the authorities. Also, the Pentagon needed to develop loan and loan guarantee concepts into actual documents that the private financial community would trust for investment grade financing, which took some time.

Progress with the privatization initiative has been slow. Rep. Joel Hefley, Chair of the Military Installations and Facilities Subcommittee of the House Armed Services Committee stated in a March 9, 1999 hearing that the Congress has been disappointed in the pace of privatization implementation, especially as the expiration date of February 10, 2001 (for the five-year test period of these authorities) approaches.

The General Accounting Office (GAO) highlighted some concerns with the privatization initiative when it reviewed DOD’s military housing situation in July

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[6] For more detailed information on the authorities; see the DOD's Privatization of Military Housing website, [http://www.acq.osd.mil/iai/hrso/welcome.htm]

[7] Each Service has its own program name for housing privatization: Army - Residential Communities Initiative (formerly known as the Capital Venture Initiative (CVI)); Navy - Public-Private Venture (PPV); and Air Force - Housing Privatization Program.

1998.[8] Initial evaluation of life-cycle costs of privatized housing versus traditional military housing showed a potential savings of only about 10% or less. The proposed long-term time horizons for some privatization projects of 50 years or more brought up concerns that the housing might be not needed in the that far into future. Also, the GAO pointed out the continuing weakness in the Pentagon planning for military housing. GAO stated that housing requirements are not integrated with particular facilities and community needs, that the plans underutilize the use of local housing and that there is poor communication between offices responsible for housing allowances and military housing construction. GAO recommended that comprehensive, better integrated plans could help maximize the privatization initiative while minimizing total housing costs.

Rep. Hefley also raised a serious policy issue in the Pentagon's current approach to the implementation of its military family housing privatization program. He expressed concern that the military departments -- particularly in the Army and the Navy -- were placing virtually all of their hopes for improving military family housing on privatization without being certain that it would work in all locations. Rep. Hefley pointed out that privatization was only one tool, along with regular military construction funds, which could ameliorate family housing problems.

History and Context

The Funding Pattern for Military Construction Budgets. In recent years, the Congress has added significant amounts to annual Administration military construction budget requests. This has been a recurring pattern in the 1990s. The President proposes what the Congress calls an inadequate military construction budget, especially for Guard and Reserve needs. The Congress then adds funding for military construction, with some attention to Guard and Reserve projects. For example, Congress added $479 million in FY1996, $850 million in FY1997, $800 million in FY1998 and $875 million in FY1999 to the military construction accounts.

Congressional additions to the military construction budget have been common and controversial throughout the 1990s. Three themes explain the pattern of recurring congressional additions. First, some members of the military construction subcommittees have believed that military construction has been chronically underfunded. This theme was echoed in recent hearings on the FY2000 budget and the FY1999 and FY1998 reports from the House Appropriations Committee and the defense authorizing committees. Second, often Congress has different priorities than the Administration, as reflected in frequent congressional cuts to overseas construction requests and contributions to the NATO Security Investment Program. Third, other Members of Congress, as Senator Bond commented during the floor debate on FY1996 military construction appropriations, believe that the Pentagon counts on Congress to add money to Guard and Reserve programs. In recent years, Congress has added large amounts for National Guard and Reserve construction projects, including a peak amount of $401.8 million in FY1995. (See Table 4.)

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[8] U.S. General Accounting Office, *Military Housing: Privatization Off to a Slow Start and Continued Management Attention Needed,* GAO Report Number NSIAD-98-178, July 1998.

Debate over congressional additions to the military construction budget involves several overlapping issues. Military construction proponents, including facility advocates in the military services, argue that military facilities have been systematically underfunded for many years -- even, some say, in the midst of the buildup of the early- to mid-1980s. This line of argument was prominent during House Appropriations Committee mark-up of the FY1996 military construction bill. Some complained that the funding level was up 28% from the prior year, while others defended the increase as necessary to make up for previous shortfalls in funding for new construction and maintenance. The FY1996 enacted amount for military construction peaked that year at $11.2 billion. The House report on the FY1997 bill (H.Rept. 104-591) cited a DOD backlog of deferred maintenance and repair for family housing alone that totaled over $4.5 billion dollars.

DOD facility managers have not met their goal to allocate 3% of the plant replacement value of DOD facilities for annual construction and maintenance (called real property maintenance at the Pentagon). Although this 3% goal is below the average for public facilities nationwide, actual DOD funding has typically run at 1 to 2% of plant replacement value. For example, the Air Force testified on March 16, 1999 to the House Armed Services Subcommittee for Military Installations and Facilities that the Air Force could budget only 1% for real property maintenance. This is why facility proponents welcome any congressional additions.[9]

Finally, congressional military construction subcommittees -- authorization as well as appropriations subcommittees -- have frequently taken issue with Administration military construction priorities. In the early 1990s, for example, the committees frequently reduced amounts requested for construction overseas -- on the grounds that troop levels abroad should be reduced and that allied burden-sharing contributions should increase -- and reallocated the funds to domestic projects. In addition, congressional committees have added unrequested funds for quality of life improvements, such as day care centers and barracks renovation. The Congress has argued that the military services have tended to neglect these areas in favor of warfighting investments.

The Debate Over Added Projects. Since the Congress has added significant amounts to military construction budgets over the last 10 years, congressional debate has centered on how to prioritize worthy additional projects.

In 1994, the Senate debate on the military construction appropriations bill focused the amount of congressional additions to the request despite constraints on overall defense spending. Senator McCain, in particular, objected to the provision of substantial amounts for projects that the Administration had not requested. He argued that such projects largely represented "pork barrel" spending, and came at the expense of higher priority defense programs. In Senate floor consideration of the military construction bill that year, the managers accepted a McCain amendment that called for criteria to be applied to additional projects. His amendment included a provision that any added project should be on the military lists of critical yet

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[9] For a discussion of this and related issues, see CRS Report 91-669, *Military Construction: Current Controversies and Long-Term Issues*, by Martin Cohen and Stephen Daggett.

unbudgeted projects. The McCain amendment was not incorporated into the final conference version of the bill, however, and the conference agreement provided over $900 million for unrequested construction projects.

The National Defense Authorization Act for FY1995 (P.L. 103-337), however, incorporated Senator McCain's criteria as a "Sense of the Senate" provision,[10] providing that the unrequested projects should be:

1. essential to the DOD's national security mission,
2. not inconsistent with the Base Realignment and Closure Act,
3. in the services' Future Years Defense Plan (see above),
4. executable in the year they are authorized and appropriated, and
5. offset by reductions in other defense accounts, through advice from the Secretary of Defense.

Since the 104th Congress, the House military construction authorizing and appropriations committees have also used similar criteria, in collaboration with the Pentagon, to add projects to the military construction budget. Each potential project needs to pass the following criteria, similar to the McCain criteria: Is the project essential to the DOD mission, consistent with BRAC plans, in the Future Years Defense Plan and "executable" in the coming fiscal year? If the project can meet those criteria, the military construction authorizing and appropriations committees may add the project.

Debate over congressionally-added projects continues. In debate on the FY1999 military construction appropriations conference report, Senator McCain continued to discuss projects added by Congress. He noted that the Congress added 148 domestic projects in all, at a cost of nearly $977 million. Senator McCain presented his list of questionable projects in the Congressional Record, in a letter to the President and on his web page ([http://www.senate.gov/~mccain/milcnf99.htm]).

Major Funding Trends

The Administration has proposed to split funding for FY2000 military construction projects between the FY2000 and the FY2001 budgets. The budget request for FY2000 is $5.4 billion, with an additional $3.1 billion in an advance appropriations for future costs in FY2001. Adding the FY2000 request with the advance appropriations request brings the **total value** of the proposed FY2000 military construction program to $8.5 billion. This total continues a downward trend from the FY1996 level of $11.2 billion, the FY1997 level of $9.8 billion, the FY1998 level of $9.3 billion and the FY1999 level of $8.7 billion. The FY2000 conference report recommends $8.4 billion.

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[10] A "Sense of the Senate" provision is a provision that requires approval by the Senate, but is not formally part of the bill and therefore does not have the force of law. This type of provision expresses the sense of the Senate on policy issues. There can also be similar Sense of the House and Sense of the Congress provisions.

Table 2 shows overall military construction program funding since FY1996. **Table 3** breaks down the FY2000 request and FY2000 program value by appropriations account and compares it to FY1998 and FY1999 levels. **Table 4** shows congressional military construction add-ons for Guard and Reserve projects from FY1985-99.

Legislation

Military Construction Appropriations

H.R. 2465 (Hobson, D.)

Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes. Ordered to be reported to House (H.Rept. 106-221), July 2, 1999. The House passed the bill with no amendments on July 13, 1999, by a vote of 418-4. Conference report ordered to be reported (H.Rept. 106-266). The House passed the conference report on July 29, 1999, by a vote of 412-8.

S. 1205 (Burns, C.)

Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes. Ordered to be reported to Senate (S.Rept. 106-74), June 10, 1999. Passed Senate without amendment, (97-2), June 16, 1999.

Defense Authorization

H.R. 1401 (Spence)

Authorizes appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, for defense activities of the Department of Energy, and for other purposes. Ordered to be reported by the House Armed Services Committee (H.Rept. 106-162), May 19, 1999. Rules Committee Resolution, H.Res. 195, reported to the House but then withdrawn, May 27, 1999. Considered by House, June 9 and 10, 1999. Approved by Senate, with amendments, (365-58), June 10, 1999.

S. 1059 (Warner)

Authorizes appropriations for fiscal year 2000 for military activities of the Department of Defense, for military construction, for defense activities of the Department of Energy, and for other purposes. Ordered to be reported by the Senate Armed Services Committee, May 13, 1999. Report filed (S.Rept.106-50), May 17, 1999. Considered by the Senate, May 24, 25, 26, and 27, 1999. Approved by the Senate, with amendments (92-3), May 27, 1999.

Table 2. Military Construction Appropriations, FY1996-2000
(budget authority in millions of dollars)

	Actual FY1996	Actual FY1997	Actual FY1998	Estimate FY1999	Request[1] FY2000	Enacted FY2000
Military Construction	6,893	5,718	5,466	5,079	2,298	NA
Family Housing	4,260	4,131	3,828	3,580	3,140	NA
Total	11,153	9,849	9,294	8,659	5,438	NA

Source: Actual FY1996-98 data and Request FY 2000 from Department of Defense (DOD), *Financial Summary Tables*, February 1999 and previous years' reports.

Notes:
1. This is only part of the Administration's "split funding" request for FY2000. The rest of the proposed FY2000 military construction program would be funded by an advance appropriations of $3.1 billion in FY2001.
NA = not available yet

Table 3. Military Construction Appropriations by Account: FY1998-2000

(in thousands of dollars)

Account	FY1998 Actual	FY1999 Est.	FY2000 Request[1]	FY2000 Program Value[2]
Milcon, Army	706,477	986,726	656,003	1,315,539
MilCon, Navy	678,066	610,453	319,786	822,598
MilCon, Air Force	694,255	645,009	179,479	559,346
MilCon, Defense-wide	639,942	553,114	193,005	530,905
MilCon, Army National Guard	122,050	144,903	16,045	57,402
MilCon, Air National Guard	190,444	185,701	21,319	73,300
MilCon, Army Reserve	74,167	102,119	23,120	77,626
MilCon, Navy Reserve	47,329	31,621	4,933	14,953
MilCon, Air Force Reserve	30,243	34,371	12,155	27,320
BRAC Acct., Total	2,045,874	1,630,902	681,373	1,283,217
NATO Security Investment Program	151,600	154,000	191,000	191,000
Foreign Curr. Fluct., Constr., Def.	85,763	-	-	-
Total: Military Construction	**5,466,210**	**5,078,919**	**2,298,218**	**4,953,206**
Family Housing Const., Army	196,300	139,290	14,003	1,156,074
Family Housing Operation & Debt, Army	1,104,868	1,095,897	1,098,080	-
Family Housing Const., Navy & Marine Corps	391,832	301,590	64,605	1,130,842
Family Housing Operation & Debt, Navy and Marine Corps	983,504	922,892	895,070	-
Family Housing Const. AF	294,009	298,665	101,791	1,138,905
Family Housing Operation & Debt, AF	819,934	787,737	821,892	-
Family Housing Const., Def-wide	4,950	345	50	41,490
Family Housing Operation & Debt, Def-wide	32,624	36,899	41,440	-
Homeowners Assist. Fund, Def.	-	-	24,538	-
DOD Family Housing Improvement Fund	-	2,000	78,756	78,756
DOD Unacccompd. Housing Improvement Fund	-	(5,000)	-	-
Rossmoor Settlement Account (for Navy use in San Diego, CA via Section 2208 in PL 104-106)	3	-	-	-
Total: Family Housing	**3,828,024**	**3,580,315**	**3,140,225**	**3,546,067**
GRAND TOTAL	**9,294,234**	**8,659,234**	**5,438,443**	**8,499,273**

Source: FY1997-FY2000 Request from DOD, *Financial Summary Tables*, February 1999. FY2000 Program Value from DOD, *Military Construction, Family Housing, BRAC, FY2000 Program Profile by State/Location*, February 1999.

Notes:
1. This is only part of the Administration's "split funding" request for FY2000. The rest of the proposed FY2000 military construction program would be funded by an advance appropriations of $3.1 billion in FY2001.

2. The FY2000 Program Value is total value of military construction program, which includes program costs for FY2000, FY2001 and beyond. The FY2000 Program Value combines Family Housing Const. and Operation and Debt into single accounts for the Services and Defense-wide.

Table 4: Mil. Con. Appropriations by Account - Congressional Action

(in thousands of dollars)

Account	FY2000 Request	House Bill	Senate Bill	Conf. Report
Milcon, Army	1,315,539	1,223,405	1,067,422	1,042,033
MilCon, Navy	822,598	968,862	884,883	901,531
MilCon, Air Force	559,346	752,367	783,710	777,238
MilCon, Defense-wide	530,905	755,718	770,690	593,615
MilCon, Army National Guard	57,402	135,129	226,734	227,456
MilCon, Air National Guard	73,300	180,870	238,545	263,724
MilCon, Army Reserve	77,626	92,515	105,817	111,340
MilCon, Navy Reserve	14,953	21,574	31,475	28,457
MilCon, Air Force Reserve	27,320	66,549	35,864	64,404
BRAC Acct., Part IV	1,283,217	705,911	705,911	672,311
NATO Security Investment Program	191,000	81,000	100,000	81,000
Total: Military Construction	**4,953,206**	**4,983,900**	**4,951,051**	**4,763,109**
Family Housing, Army	1,156,074	1,179,012	1,158,980	1,167,012
Family Housing, Navy and Marine Corps	1,130,842	1,207,629	1,193,424	1,232,541
Family Housing, Air Force	1,138,905	1,166,888	1,156,926	1,167,848
Family Housing, Defense-wide	41,490	41,490	41,490	41,490
Family Housing Improvement Fund	78,756	2,000	25,000	2,000
Family Housing Revitalization (S. 1205)		0	25,000	0
Total: Family Housing	**3,546,067**	**3,597,019**	**3,600,820**	**3,610,891**
Contingency reduction		**(131,177)**	**(278,051)**	
GRAND TOTAL	**8,499,273**	**8,449,742**	**8,273,820**	**8,374,000**

Sources: H.Rept. 106-221, S.Rept. 106-74 and H.Rept. 106-266.

Table 5: Congressional Additions to Annual Department of Defense Budget Requests for National Guard and Reserve Military Construction, FY1985-99
(current year dollars in thousands)

Fiscal Year	Army National Guard	Air National Guard	Army Reserve	Naval Reserve	Air Force Reserve	Total	Total Change from Request
1985 Req.	88,900	102,900	70,400	60,800	67,800	390,800	
1985 Enact.	98,603	111,200	69,306	60,800	67,800	407,709	+16,909
1986 Req.	102,100	137,200	70,700	51,800	66,800	428,600	
1986 Enact.	102,205	121,250	61,346	41,800	63,030	389,631	-38,969
1987 Req.	121,100	140,000	86,700	44,500	58,900	451,200	
1987 Enact.	140,879	148,925	86,700	44,500	58,900	479,904	+28,704
1988 Req.	170,400	160,800	95,100	73,737	79,300	579,337	
1988 Enact.	184,405	151,291	95,100	73,737	79,300	583,833	+4,496
1989 Req.	138,300	147,500	79,900	48,400	58,800	472,900	
1989 Enact.	229,158	158,508	85,958	60,900	70,600	605,124	+132,224
1990 Req.	125,000	164,600	76,900	50,900	46,200	463,600	
1990 Enact.	223,490	235,867	96,124	56,600	46,200	658,281	+194,681
1991 Req.	66,678	66,500	59,300	50,200	37,700	280,378	
1991 Enact.	313,224	180,560	77,426	80,307	38,600	690,117	+409,739
1992 Req.	50,400	131,800	57,500	20,900	20,800	281,400	
1992 Enact.	231,117	217,556	110,389	59,900	9,700	628,672	+347,272
1993 Req.	46,700	173,270	31,500	37,772	52,880	342,122	
1993 Enact.	214,989	305,759	42,150	15,400	29,900	608,198	+266,076
1994 Req.	50,865	142,353	82,233	20,591	55,727	351,769	
1994 Enact.	302,719	247,491	102,040	25,029	74,486	751,765	+399,996
1995 Req.	9,929	122,770	7,910	2,355	28,190	171,154	
1995 Enact.	187,500	248,591	57,193	22,748	56,958	572,990	+401,836
1996 Req.	18,480	85,647	42,963	7,920	27,002	182,012	
1996 Enact.	137,110	171,272	72,728	19,055	36,482	436,647	+254,635
1997 Req.	7,600	75,394	48,459	10,983	51,655	194,091	
1997 Enact.	78,086	189,855	55,543	37,579	52,805	413,868	+219,777
1998 Req.	45,098	60,225	39,112	13,921	14,530	172,886	
1998 Enact.	102,499	190,444	55,453	26,659	15,030	390,085	+217,199
1999 Req.	47,675	34,761	71,287	15,271	10,535	179,529	
1999 Enact.	144,903	185,701	102,119	31,621	34,371	498,715	+319,186

Source: Department of Defense, *Financial Summary Tables*, successive years.

For Additional Information

CRS Issue Briefs

CRS Issue Brief 96022. *Defense Acquisition Reform: Status and Current Issues*, by Valerie Bailey Grasso.

CRS Reports

CRS Report RL30002. *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

CRS Report RL30205. *Appropriations for FY2000: Defense*, by Stephen Daggett.

CRS Report RL30061. *Defense Budget for FY2000: Data Summary*, by Stephen Daggett and Mary T. Tyszkiewicz.

CRS Report 91-669. *Military Construction: Current Controversies and Long-Term Issues*, by Martin Cohen and Stephen Daggett.

Selected World Wide Web Sites

U.S. Department of Defense, Office of the Under Secretary of Defense (Comptroller), FY 2000 Budget Materials
[http://www.dtic.mil/comptroller/FY2000budget/]

U.S. Department of Defense, Installations Home Page
[http://www.acq.osd.mil/iai]

House Committee on Appropriations
[http://www.house.gov/appropriations]

Senate Committee on Appropriations
[http://www.senate.gov/~appropriations/]

CRS Appropriations Products Guide
[http://www.loc.gov/crs/products/apppage.html#la]

Congressional Budget Office
[http://www.cbo.gov]

General Accounting Office
[http://www.gao.gov]

Office of Management & Budget
[http://www.whitehouse.gov/OMB/]