CRS Insights

FY2016 Military Construction Appropriations: President's Request and House Markup Compared Daniel H. Else, Acting Section Research Manager (<u>delse@crs.loc.gov</u>, 7-4996) April 24, 2015 (IN10262)

The Secretary of Defense and the Secretaries of the military departments (Army, Navy, and Air Force) are empowered by statute (<u>10 U.S.C. §2802</u>) to carry out military construction projects, land acquisitions, and defense access road projects (as described under <u>23 U.S.C. §210</u>) as are authorized by law. Such authorization is usually given in the annual National Defense Authorization Act. Military construction projects are defined in statute as including "surveys and site preparation; acquisition, conversion, rehabilitation, and installation of facilities; acquisition and installation of equipment and appurtenances integral to the project; acquisition and installation of supporting facilities (including utilities) and appurtenances incident to the project; and the planning, supervision, administration, and overhead incident to the project."

Military construction is normally funded through Title I of the Military Construction, Veterans Affairs, and Related Agencies appropriations bill and provides funding for the planning, design, construction, alteration, and improvement of facilities used by active and reserve military components worldwide. It capitalizes military family housing and the U.S. share of the NATO Security Investment Program and finances the implementation of installation closures and realignments. Military construction appropriations have been joined with those for the Department of Veterans Affairs, the American Battle Monuments Commission, the Court of Veterans Appeals, the Armed Forces Retirement Homes, and Arlington National Cemetery since the 108th Congress. Title IV of the bill funds construction outside of the United States supporting Overseas Contingency Operations (OCO)/Global War on Terrorism (GWOT) pursuant to Section 251(b)(2)(A)(ii) of the Balanced Budget and Emergency Deficit Control Act of 1985 (for more information on the act, see CRS Report R41901, *Statutory Budget Controls in Effect Between 1985 and 2002*, by Megan S. Lynch). This separate title was created by the congressional committee to segregate construction supporting OCO and to designate those appropriations as emergency spending, removing them from the budget caps imposed by the Budget Control Act of 2011 (P.L. 112-25).

On February 2, 2015, President Barack Obama sent to Congress a proposed FY2016 Department of Defense budget request of \$585.3 billion in discretionary budget authority to fund both base budget programs and Overseas Contingency Operations. A small portion of that request, \$8.4 billion (1.4%), was requested for military construction purposes. On April 21, 2015, the House Committee on Appropriations reported its markup of the annual appropriations bill. Table 1 displays the new budget authority for military construction and OCO construction that has been requested by the President and recommended by the House Committee on Appropriations.

Table 1. FY2016 Military Construction Presidential Request and House Markup

Dollars in thousands

Appropriations Account	FY2015 Enacted	FY2016 Request	FY2016 House
Title I, Military Construction			
Military Construction, Army	528,427	743,245	663,245
Military Construction, Navy and Marine Corps	1,018,772	1,669,239	1,349,678
Military Construction, Air Force	811,774	1,389,185	1,237,055
Military Construction, Defense-Wide	1,991,690	2,300,767	1,931,456
Total, Active Components	4,350,663	6,102,436	5,181,434

Military Construction, Army National Guard	128,920	197,237	167,437
Military Construction, Air National Guard	92,663	138,738	138,738
Military Construction, Army Reserve	103,946	113,595	104,295
Military Construction, Navy Reserve	51,528	36,078	36,078
Military Construction, Air Force Reserve	49,492	65,021	65,021
Total, Reserve Components	426,549	550,669	511,569
Total, Military Construction	4,777,212	6,653,105	5,693,003
NATO Security Investment Program	199,700	120,000	150,000
Family Housing Construction, Army	78,609	99,695	99,695
Family Housing Operation and	350,976	393,511	393,511
Maintenance, Army Family Housing Construction, Navy	16,412	16,541	16,541
Family Housing Operation and	r -	,	
Maintenance, Navy and Marine Corps	354,029	353,036	353,036
Family Housing Construction, Air Force	—	160,498	160,498
Family Housing Operation and Maintenance, Air Force	327,747	331,232	331,232
Family Housing Construction, Defense- Wide	_	_	_
Family Housing Operation and Maintenance, Defense-Wide	61,100	58,668	58,668
Family Housing Improvement Fund	1662	—	
Total, Family Housing	1,190,535	1,413,181	1,413,181
Chemical Demilitarization Construction, Defense-Wide	38,715	_	_
Department of Defense Base Closure Account	315,085	251,334	251,334
Administrative Provisions Military Construction, FY2014 (Section	125,000	_	_
127) Milita Contaction EV2015 (Conti	125,000		
Military Construction, FY2015 (Section 128)	117,000	—	
Military Construction, Army (Section 125)	-49,533		-96,000
Military Construction, Navy and Marine Corps (Section 130)	-25,522	—	
Defense Access Roads (Section 131)			30,000
Military Construction, Air Force (Section 126)	-41,392	—	-52,600
Military Construction, Defense-Wide (Section 127)			-134,000

NATO Security Investment Program (Section 132)	-25,000		
42 U.S.C. 3374 (Section 128)	-63,800		-103,918
Total, Administrative Provisions	36,753	_	-356,518
Appropriations	(242,000)		(30,000)
Rescissions	(-205,247)		(-181,271)
Total, Title I, Department of Defense	6,558,000	8,437,620	7,151,000
Appropriations	(6,763,247)	(8,437,620)	(7,537,518)
Rescissions	(-205,247)		(-386,518)
Title IV, Overseas Contingency			
Operations			
Military Construction, Navy and Marine Corps	—	—	244,004
Military Construction, Air Force	—		75,000
Military Construction, Defense-Wide	46,000		212,996
European Reassurance Initiative Military Construction	175,000	_	
Total, Title IV	221,000	—	532,000
Grand Total, Department of Defense New Budget Authority	6,779,000	8,437,620	7,683,000

Source: Draft Full Appropriations Committee Report, Military Construction, Veterans Affairs, and Related Agencies Appropriations Bill, 2016.

Notes: Numbers in parentheses represent subtotals. Negative numbers represent rescissions. The President requested OCO construction as part of his regular, or "base," budget request. The House Committee on Appropriations placed that construction into Title IV of the draft appropriations bill and designated it as "emergency funding" under the 1985 act.

Since the creation of the Department of Defense in 1947, the funding of military construction and military family housing has experienced significant fluctuations. As expressed in FY2016 dollars, the annual appropriation of new budget authority between FY1948 and FY2020 (including DOD projections) averages \$12.7 billion (the median lies at \$12.0 billion). The minimum appropriation during that period was \$1.1 billion for FY1949, while the maximum of \$34.3 billion was appropriated for FY2009, at the height of construction activity for the 2005 Defense Base Closure and Realignment (BRAC) round. If appropriations during FY1951-FY1953 (Korean War) and FY2007-FY2011 (2005 BRAC round) are removed, the average military construction/family housing appropriation falls to \$11.4 billion. The FY2016 request of \$8.4 billion and projected requests through FY2020 fall well below that average. Figure 1 illustrates the flow of these appropriations.

Figure 1. Military Construction New Budget Authority Appropriations, FY1948-FY2020

Constant FY2016 Dollars in Millions



Source: Office of the Under Secretary of Defense (Comptroller), National Defense Budget Estimates for FY2016, Table 6-8.

Notes: All enacted war and supplemental funding is included.