Congressional Research Service
Informing the legislative debate since 1914

U.S. Army Corps of Engineers: Annual Appropriations Process and Issues for Congress

Anna E. Normand
Analyst in Natural Resources Policy

Nicole T. Carter
Specialist in Natural Resources Policy

April 21, 2020

Congressional Research Service
7-....
www.crs.gov
R46320

CRS REPORT
Prepared for Members and Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

U.S. Army Corps of Engineers: Annual Appropriations Process and Issues for Congress

SUMMARY

R46320

April 21, 2020

Anna E. Normand
Analyst in Natural Resources Policy
-redacted-@crs.loc.gov

Nicole T. Carter
Specialist in Natural Resources Policy
-redacted-@crs.loc.gov

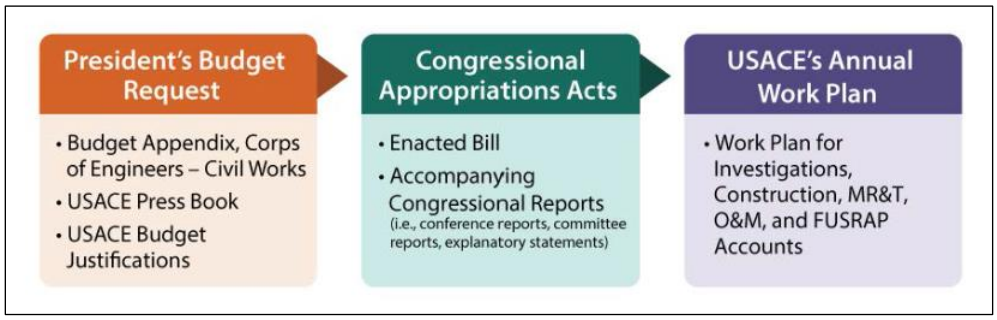
For a copy of the full report, please call 7-.... or visit www.crs.gov.

The U.S. Army Corps of Engineers (USACE) is an agency within the Department of Defense with both military and civil works responsibilities. The agency's civil works activities consist largely of the planning, construction, and operation of water resource projects to maintain navigable channels, reduce the risk of flood and storm damage, and restore aquatic ecosystems. Congress directs USACE's civil works activities through authorization legislation, annual and supplemental appropriations, and oversight.

Unlike federal funding for highways and municipal water infrastructure, the majority of federal funds provided to USACE are not distributed by formula to states or through competitive grant programs. Instead, USACE generally is directly engaged in the planning and construction of projects. The majority of the agency's appropriations are used to perform work on geographically specific studies and congressionally authorized projects. Between FY2010 and FY2020, USACE discretionary appropriations, typically funded through Title I of annual Energy and Water Development appropriations acts, have ranged from $4.72 billion in FY2013 to $7.65 billion in FY2020. Congress also has provided USACE with emergency supplemental appropriations, most often as part of flood response and recovery efforts (see CRS In Focus IF11435, *Supplemental Appropriations for Army Corps Flood Response and Recovery*, for more information).

USACE's annual appropriations process generally involves three major milestones: the President's budget request, congressional deliberation and enactment of appropriations, and Administration development of a USACE work plan. Each of the milestones is accompanied by various documents, such as USACE budget justifications, congressional conference reports, and USACE work plans.

Appropriations Process Milestones for the U.S. Army Corps of Engineers



Source: Congressional Research Service, using congressional appropriations and USACE budget documents located at https://www.usace.army.mil/Missions/Civil-Works/Budget/.

Notes: MR&T = Mississippi Rivers and Tributaries. O&M = Operation and Maintenance. FUSRAP = Formerly Utilized Sites Remedial Action Program.

The process begins with the release of the President's budget request, typically in early February. The request's appendix includes funding levels for different USACE accounts (e.g., Investigations, Construction, Operation and Maintenance). USACE also releases more detailed documents (i.e., press book, budget justifications) providing information on the projects that the request would fund. Congress may consider the President's budget request, stakeholder interests, and other factors when creating an annual Energy and Water Development appropriations bill and its USACE civil works title. In reports accompanying appropriations bills, Congress provides direction to USACE on how to allocate enacted appropriations to various USACE activities and types of projects. In the months following enactment, the Administration develops a work plan that adheres to congressional direction regarding the priorities for the funding provided above the requested amount (e.g., $2.7 billion for 26 categories of USACE activities in FY2020) and the number of new starts (e.g., six new studies and six new construction projects using FY2020 appropriations).

Some USACE-related topics repeatedly arise in congressional appropriations deliberations For example, Congress often considers how to address the increasing maintenance needs of USACE's aging infrastructure, stakeholder demand for

USACE projects, and the number of finalized project studies awaiting construction. Issues for Congress also may include the distribution of appropriations (e.g., activity type, new starts, and geographic distribution) and the level of discretion Congress provides the Administration in allocating USACE's funding in the work plan.

Contents

Figures

Tables

Appendixes

Contacts

Introduction

The U.S. Army Corps of Engineers (USACE) is an agency within the Department of Defense with both military and civil works responsibilities. Congress directs USACE's civil works activities through authorization legislation, annual and supplemental appropriations, and oversight activities. This report summarizes USACE's annual discretionary appropriations for civil works activities, which typically are funded through Title I of annual Energy and Water Development appropriations acts. First, the report introduces USACE and its funding. Second, it summarizes the appropriations process through discussions of three major milestones: President's budget request, congressional appropriations process, and annual USACE work plan. Third, the report provides a brief discussion of trends and policy questions related to USACE annual appropriations.

USACE Primer

A military Chief of Engineers commands USACE's civil and military operations. The Assistant Secretary of the Army for Civil Works (ASACW) provides civilian oversight of USACE. The agency's responsibilities are organized into eight geographically based divisions, which are further divided into 38 districts.[1]

As part of USACE's civil works activities, Congress has authorized and appropriated funds for the agency to perform the following:

- water resource projects for maintaining navigable channels and harbors, reducing risk of flood and storm damage, and restoring aquatic ecosystems, among other purposes;
- environmental infrastructure assistance;[2]
- regulation of activities affecting certain waters and wetlands activities;[3] and
- remediation of sites involved in the development of U.S. nuclear weapons from the 1940s through the 1960s, administered under the Formerly Utilized Sites Remedial Action Program (FUSRAP).[4]

[1] A U.S. Army Corps of Engineers (USACE) division map and district links are available at http://www.mvn.usace.army.mil/Locations.aspx. Districts and divisions perform both military and civil works activities and are led by Army officers. The lead officer typically is in a district or division leadership position for three years.

[2] Since 1992, Congress has authorized, and in most years funded, USACE assistance with planning, design, and construction of municipal drinking water and wastewater infrastructure projects in designated communities, counties, and states (broadly known as *environmental infrastructure*, or EI). USACE's EI assistance supports publicly owned and operated facilities, such as distribution and collection works, stormwater collection, recycled water distribution, and surface water protection and development projects. No Administration has ever requested authorization or appropriations for USACE to perform EI assistance. For more information on EI assistance, see CRS In Focus IF11184, *Army Corps of Engineers: Environmental Infrastructure Assistance*, by Anna E. Normand.

[3] USACE's regulatory responsibilities for navigable waters extend to issuing permits for private actions that may affect navigation, wetlands, and other waters of the United States. Prominent among these responsibilities is USACE administration of §404 of the Clean Water Act. For more information on these permitting responsibilities, see CRS In Focus IF11339, *Waters of the United States (WOTUS): Repealing and Revising the 2015 Clean Water Rule*, by Laura Gatz and Stephen P. Mulligan; and CRS Report R44880, *Oil and Natural Gas Pipelines: Role of the U.S. Army Corps of Engineers*, by Nicole T. Carter et al.

[4] The Atomic Energy Commission established the Formerly Utilized Sites Remedial Action Program (FUSRAP) in 1974 under the Atomic Energy Act (42 U.S.C. §§2011 et seq.) to investigate the need for remediation at privately owned or operated sites that supported the development of U.S. nuclear weapons from the 1940s to the 1960s. The

USACE Funding

From FY2010 to FY2020, Congress provided USACE with appropriations ranging from $4.72 billion in FY2013 to $7.65 billion in FY2020. Unlike federal funding for highways and municipal water infrastructure, the majority of federal funds provided to USACE are not distributed by formula to states or through competitive grant programs. Instead, USACE generally expends the appropriations on its congressionally authorized water resource projects.[5] That is, the majority of USACE's appropriations are for the planning, construction, and operation of the agency's water resource projects, such as multipurpose dams and commercial navigation improvements along coasts and inland waterways.

Congress generally funds USACE civil works through Title I of annual Energy and Water Development appropriations acts. In addition to funding the agency's water resource activities, Congress provided $100 million for environmental infrastructure activities, $210 million for USACE regulatory activities, and $200 million for FUSRAP in FY2020.[6]

Each year, some USACE projects receive construction funds; however, many authorized USACE construction projects have not been federally funded for years after their authorization. That is, Congress has authorized construction projects and rehabilitation and repair work that totals an estimated $96 billion: approximately $32 billion of authorized but unfunded projects and approximately $64 billion of rehabilitation and repair work (e.g., for dam safety).[7] This is often referred to as the agency's *construction backlog*. The backlog includes much more authorized work than can be accomplished with annual construction appropriations, which has ranged from $2.1 billion to $2.7 billion annually during FY2018 through FY2020. A subset of the projects in the backlog are funded in a given year, and many projects in the backlog receive no funds for years.

Congress also has provided USACE with emergency supplemental appropriations in some years, typically in response to floods. Most of these supplemental funds are directed to repairing damage to existing USACE facilities, paying for flood fighting and repair of certain levees and dams maintained by nonfederal entities, and constructing new riverine and coastal flood control

---

Department of Energy (DOE) assumed administration of FUSRAP, pursuant to the Department of Energy Organization Act of 1977 (P.L. 95-91). The Energy and Water Development Appropriations Act, 1998 (P.L. 105-62) authorized the transfer of 21 FUSRAP sites where remediation was not yet complete from DOE to USACE. DOE retained responsibility for the long-term stewardship of 25 FUSRAP sites where remediation was complete and responsibility for the remediation and long-term stewardship of federal facilities involved in the development of U.S. nuclear weapons. USACE later became responsible for the remediation of eight other sites added to FUSRAP. After USACE completes the remediation of a site, jurisdiction is transferred back to DOE for long-term stewardship. For information on the status of FUSRAP, see https://www.usace.army.mil/Missions/Environmental/FUSRAP.aspx. Although this report references USACE's FUSRAP and regulatory accounts, the report's discussion focuses on annual appropriations for the agency's water resource projects.

[5] Congress generally authorizes USACE water resource studies and construction projects prior to funding them. For information on the authorization process, see CRS Report R45185, *Army Corps of Engineers: Water Resource Authorization and Project Delivery Processes*, by Nicole T. Carter and Anna E. Normand.

[6] For information on FY2020 annual appropriations for USACE, see CRS Report R45708, *Energy and Water Development: FY2020 Appropriations*, by Mark Holt and Corrie E. Clark, and CRS In Focus IF11137, *Army Corps of Engineers: FY2020 Appropriations*, by Nicole T. Carter and Anna E. Normand. For information on the FY2021 appropriations process, see CRS In Focus IF11462, *Army Corps of Engineers: FY2021 Appropriations*, by Anna E. Normand and Nicole T. Carter.

[7] Remarks by Lieutenant General Todd T. Semonite at the U.S. Army Corps of Engineers, "President's Fiscal 2021 Budget for U.S. Army Corps of Engineers Civil Works Program Released," press conference, February 10, 2020.

improvements.[8] For more information on supplemental funds for USACE and associated congressional direction, see CRS In Focus IF11435, *Supplemental Appropriations for Army Corps Flood Response and Recovery*, by Nicole T. Carter and Anna E. Normand.

In addition to federal funding, most USACE activities require a nonfederal sponsor to share some portion of project costs. For some project types (e.g., levees), nonfederal sponsors are required to perform operation, maintenance, repairs, replacement, and rehabilitation of the works once construction is complete. For more information on nonfederal cost-share requirements, see CRS Report R45185, *Army Corps of Engineers: Water Resource Authorization and Project Delivery Processes*, by Nicole T. Carter and Anna E. Normand.

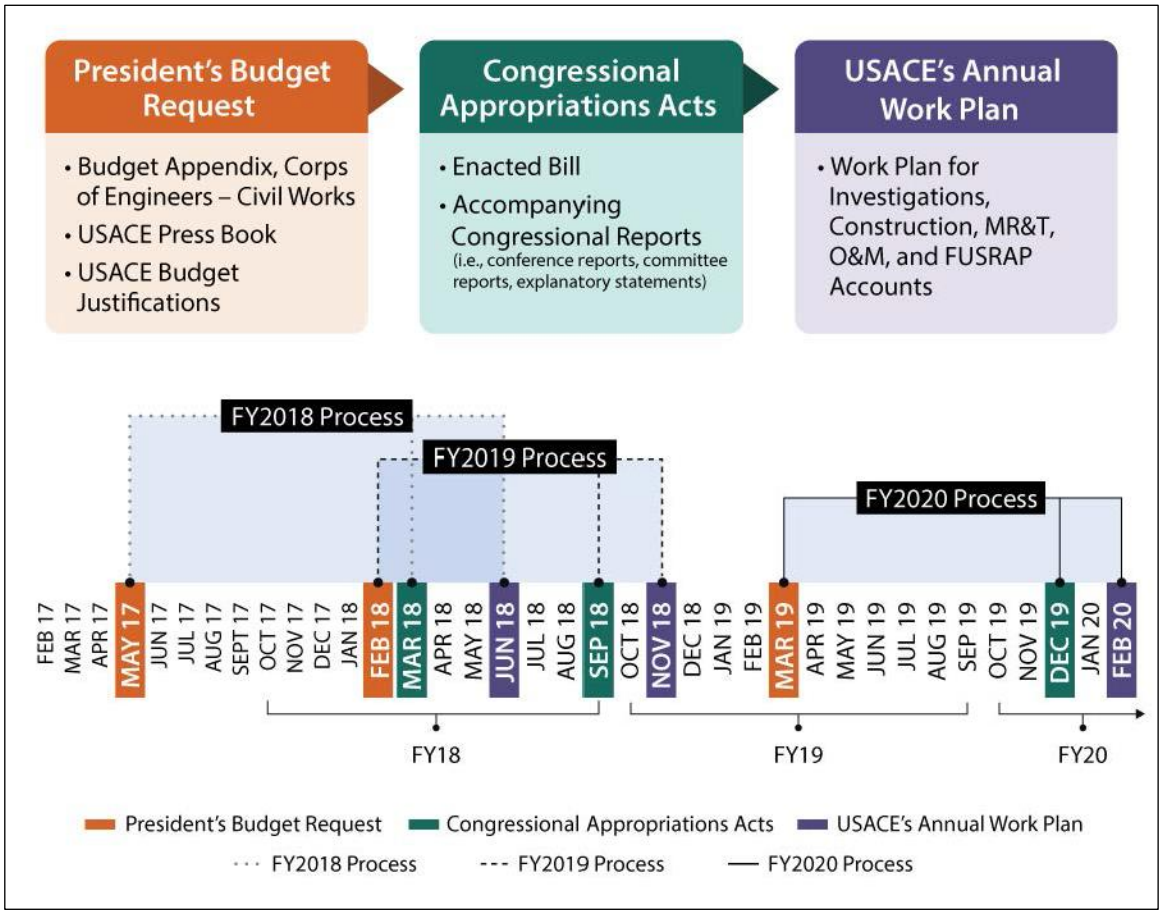
Annual Appropriations Process

The annual appropriations process generally involves three major milestones: President's budget request, congressional deliberation and enactment of appropriations, and Administration development of a USACE work plan (see **Figure 1**). The process begins with the release of the President's budget request, typically in early February (i.e., roughly eight months before the start of the fiscal year addressed by the request), although it is sometimes delayed.[9] Congress may consider the President's budget request, stakeholder interests, and other factors when creating an annual Energy and Water Development appropriations bill that includes USACE civil works activities. The length of the congressional appropriations process varies from year to year, as shown in **Figure 1**. Following enactment of the Energy and Water Development bill, the Administration develops a USACE work plan, which identifies the amount of additional funding provided to specific studies and projects. The following sections describe these major milestones in more detail.

[8] For more information on supplemental funds for USACE and associated congressional direction, see CRS In Focus IF11435, *Supplemental Appropriations for Army Corps Flood Response and Recovery*, by Nicole T. Carter and Anna E. Normand.

[9] Sometimes the President is delayed in releasing the request in early February. For example, in the past, the request has been delayed during the first year of a new Administration, such as for the FY2018 budget request.

Figure 1. FY2018 to FY2020 Appropriations Process Timeline



Source: Congressional Research Service (CRS) using congressional appropriations, USACE press documents, and USACE budget documents located at https://www.usace.army.mil/Missions/Civil-Works/Budget/.

Notes: MR&T = Mississippi Rivers and Tributaries. O&M = Operation and Maintenance. FUSRAP = Formerly Utilized Sites Remedial Action Program.

President's Budget Request

The President's budget request for USACE typically is for funding at the account level (i.e., Investigation, Construction, and Operation and Maintenance), as shown in the appendix to the President's FY2020 budget request.[10] The agency's budget justification includes more detailed information regarding the request by providing information for specific activities, such as the level of funding requested for particular USACE studies and construction projects.[11] USACE also publishes a summary of this information in a document it refers to as the *press book*. The press book shows the requested funding for USACE projects for each state and identifies how the President's requests for various accounts are distributed across the agency's *business lines* (i.e.,

[10] The portion of the appendix of the President's FY2020 budget request related to USACE is available at https://www.whitehouse.gov/wp-content/uploads/2019/03/coe-fy2020.pdf.

[11] The detailed budget justification may be available the same day the President's budget request is released or within a few weeks of the budget request's release. USACE posts its budget justifications, along with other budget documents, at http://www.usace.army.mil/Missions/Civil-Works/Budget/.

types of activities, such as navigation, restoration, and recreation) in a crosswalk (see **Appendix A**).[12]

In recent years, the executive branch has used various metrics, including benefit-cost ratios and other performance criteria, to identify which projects and activities to include in the President's request. For example, to identify operation and maintenance investments, the Administration's budget development guidance has used risk assessments, which consist of an evaluation of an existing project's condition and the consequences of reduced project performance (i.e., the consequence of not making an investment). USACE budget development guidance describes these metrics and other aspects of the budget development process each year.[13] Recent Administrations also have limited funding for new starts to focus on completing existing projects and on actions to address aging infrastructure.

Congressional Appropriation Acts

As shown in **Figure 2**, since FY2006, Congress has appropriated more for USACE civil works than the President requested in all but one year. In the text of enacted appropriations laws, Congress generally provides appropriations to USACE at the account level (see **Table 1** for a description of the accounts and their FY2018 to FY2020 appropriations amounts). Accompanying appropriations reports (i.e., conference reports, committee reports, or explanatory statements), which sometimes are incorporated into law by reference, often identify specific USACE projects and programs to receive appropriated funds.

In addition to regular appropriations, Congress provided USACE with various emergency supplemental appropriations from FY2006 to FY2019. For example, Congress provided a total of more than $47 billion for flood fighting (e.g., construction of temporary levees) and flood recovery (e.g., construction of flood risk reduction in states and territories affected by flooding) over those years, as well as $4.6 billion for economic recovery as part of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). These supplemental appropriations are not shown in **Figure 2**.[14]

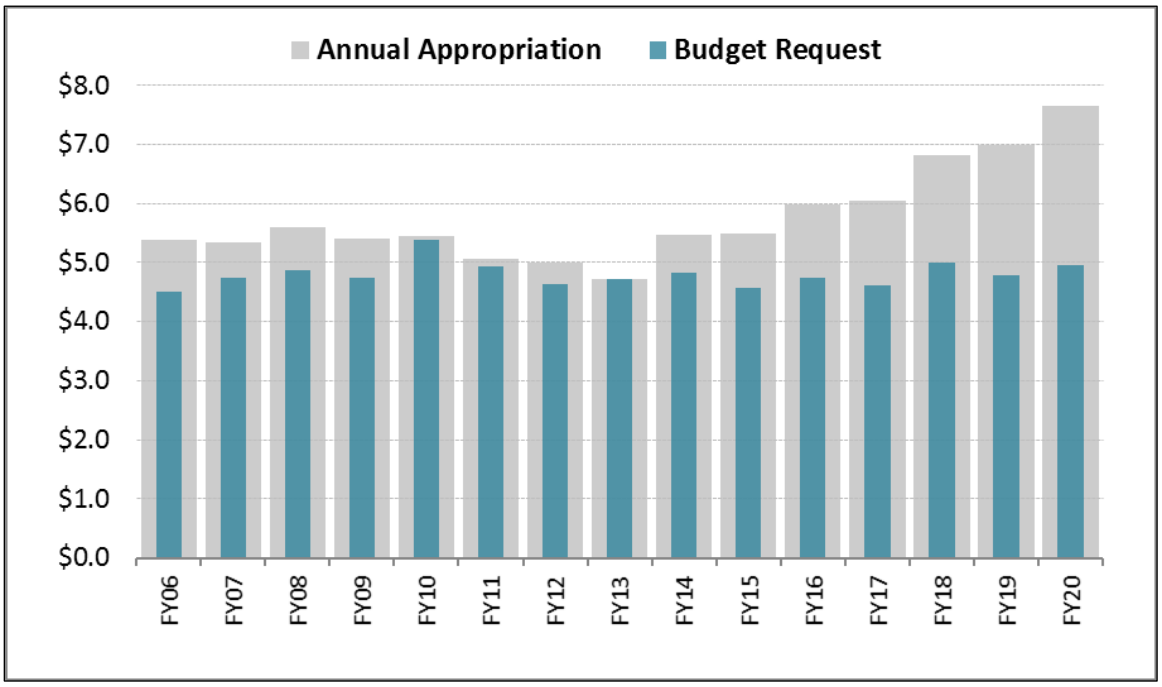
[12] Although some business line activities (e.g., navigation, flood damage reduction, restoration, recreation) are spread across accounts (e.g., Investigations, Construction, Operation and Maintenance), other business line activities and accounts are the same (e.g., FUSRAP, regulatory, expenses). The press book is published at http://www.usace.army.mil/Missions/Civil-Works/Budget/.

[13] For example, see USACE, *Civil Works Direct Program Development Policy Guidance*, Engineering Circular 11-2-220, March 31, 2019, at https://www.publications.usace.army.mil/Portals/76/Users/182/86/2486/EC_11-2-220.pdf?ver=2019-06-14-151345-087. For more on benefit-cost ratios, see CRS Report R44594, *Discount Rates in the Economic Evaluation of U.S. Army Corps of Engineers Projects*, by Nicole T. Carter and Adam C. Nesbitt.

[14] For more on the flood-related supplementary appropriations, see CRS In Focus IF11435, *Supplemental Appropriations for Army Corps Flood Response and Recovery*, by Nicole T. Carter and Anna E. Normand.

Figure 2. Budget Request and Annual Appropriations for USACE Civil Works, FY2006 to FY2020

($ in billions, nominal)



Source: CRS, using budget authority identified in enacted appropriations and Administration budget requests.

Note: Budget authority shown does not include supplemental appropriations.

Table 1. USACE Civil Works Account Descriptions and Annual Appropriations, FY2018 to FY2020

($ in millions, nominal)

Account	Description	FY2018	FY2019	FY2020
Investigations	Funds studies for authorized projects and programs and may fund preconstruction engineering and design work.	123	125	151
Construction	Funds implementation for new and continuing construction, reconstruction, continuing authorities programs, environmental infrastructure assistance, major rehabilitation, dam safety assurance, dredge material disposal facilities, and deficiency correction of projects.	2,085	2,183	2,681
Mississippi River and Tributaries (MR&T)	Funds projects and programs on the Mississippi River main stem and its tributaries; the account combines Investigations, Construction, and O&M activities.	425	368	375
Operation and Maintenance (O&M)	Funds operation, maintenance, and related activities at water resource projects that USACE operates and maintains (e.g., multipurpose dams, navigation channels).	3,630	3,740	3,790

Account	Description	FY2018	FY2019	FY2020
Flood Control and Coastal Emergencies (FCCE)	Funds USACE's authorized emergency response and repair activities. Annual appropriations primarily used for emergency flood response preparedness. Supplemental appropriations typically fund the flood response and repair activities.	35	35	35
Regulatory	Funds activities for USACE regulatory responsibilities, such as Section 404 Clean Water Act permits.	200	200	210
Formerly Utilized Sites Remedial Action Program (FUSRAP)	Funds remedial activities at sites contaminated primarily as a result of the United States' early atomic weapons development program.	139	150	200
General Expenses	Funds development and execution of the civil works program, as well as oversight of the civil works program missions.	185	193	203
Assistant Secretary of the Army (Civil Works; ASACW)	Funds the Office of the ASACW, whose responsibilities include policy direction and oversight of the civil works program.	5	5	5
Total		**6,827**	**6,999**	**7,650**

Sources: CRS, using enacted appropriations (P.L. 115-141; P.L. 115-244; P.L. 116-94); agency work plans at https://www.usace.army.mil/Missions/Civil-Works/Budget/; and USACE, *Civil Works Direct Program Development Policy Guidance, Fiscal Year 2020*, EC 11-2-216, March 2018, at https://www.publications.usace.army.mil/Portals/76/Publications/EngineerCirculars/EC_11-2-216.pdf?ver=2018-08-20-084953-930.

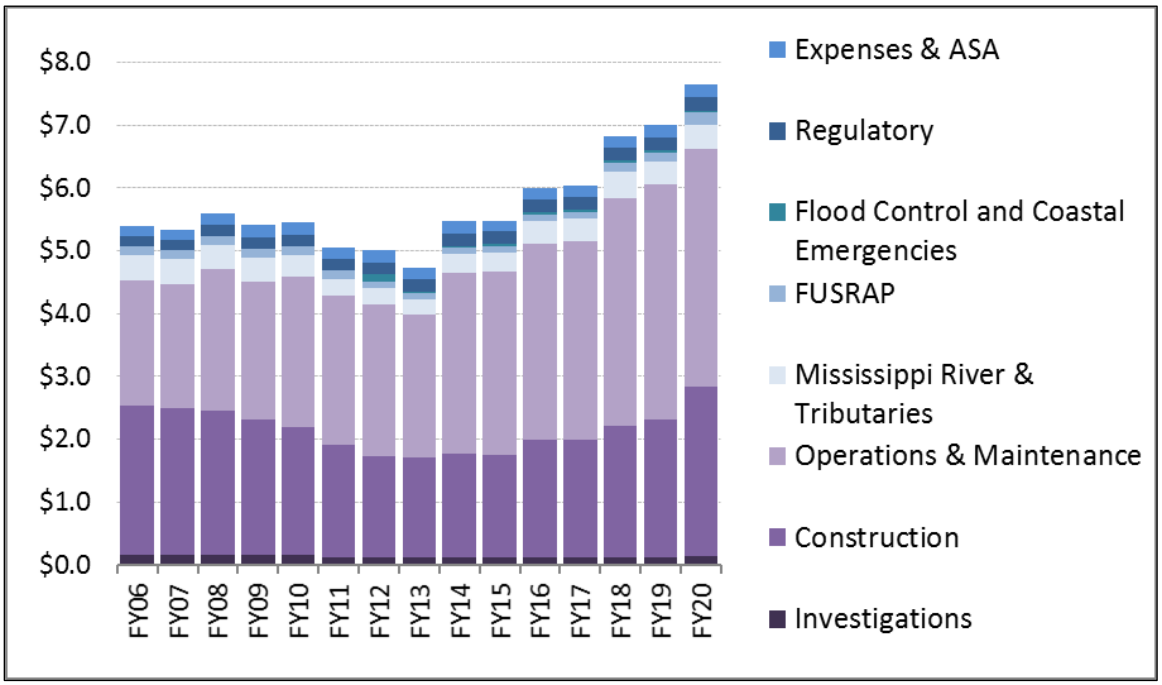
Note: Amounts do not include supplemental appropriations.

Generally, Congress provides the majority of USACE's funding to two accounts—the Construction account and the Operation and Maintenance (O&M) account. The O&M account has made up a growing portion of the agency's use of annual appropriations, as shown in **Figure 3**. Between FY2006 and FY2020, the O&M account increased from 37% of USACE annual appropriations in FY2006 and FY2007 to a high of 53% in FY2018 and FY2019.[15]

[15] In FY2020, Operation and Maintenance funding was 52% of USACE's annual appropriations.

Figure 3. USACE Annual Appropriations by Account, FY2006 to FY2020

($ in billions, nominal)



Source: CRS, using enacted appropriations bills.

Notes: ASA = Assistant Secretary of the Army (Civil Works); FUSRAP = Formerly Utilized Sites Remedial Action Program. USACE budget authorities for annual appropriations typically are provided in Title I of Annual Energy and Water Development appropriations acts. Amounts shown do not include supplemental appropriations.

Navigation Trust Funds

Two congressionally authorized trust funds support U.S. Army Corps of Engineers (USACE) navigation activities. The Harbor Maintenance Trust Fund (HMTF; 26 U.S.C. §9505) pays for investments in federal navigation coastal channel and harbor operation and maintenance. The HMTF receives revenues from taxes on waterborne commercial cargo imports, domestic cargo, and cruise ship passengers at federally maintained ports. Since 1986, Congress generally has required that construction and major rehabilitation for inland waterways be paid for 50% from the General Fund of the U.S. Treasury and 50% from the Inland Waterways Trust Fund (IWTF; 26 U.S.C. §9506). The IWTF receives proceeds of a tax on barge fuel for vessels engaged in commercial transport on 27 designated inland waterways. Both trust funds require annual appropriations language to draw on their balances. As a result, funds drawn from the IWTF and the HMTF historically have fallen within congressional budget caps on discretionary spending and procedural limits for allocations of budget authority for a fiscal year (often referred to as *302(b) allocations*).

The amount collected from the fuel tax since the mid-2000s has prevented the IWTF from supporting the level of construction sought by the waterway industry. In P.L. 113-295, Congress authorized a $0.09 per gallon increase in the fuel tax, resulting in a barge fuel tax of $0.29 per gallon beginning in April 2015. Since FY2014, Congress has reduced the IWTF-required portion of funds for certain waterway construction projects, thereby increasing the funds for inland waterway construction that come from the General Fund by more than $400 million. The IWTF's inability to support the level of construction on waterways included in Energy and Water appropriations acts without congressional adjustments to decrease the trust fund's role in funding some projects has raised the prospect of changes in inland waterway funding. For example, the Obama and Trump Administrations put forth proposals for new user fees in various budget requests. In FY2019, the IWTF was used to pay for $116 million of the total $1.25 billion in USACE costs for inland waterways, which consisted of $337 million in construction and $899 million in operation and maintenance.

In contrast, the HMTF had developed a balance of nearly $10 billion at the start of 2020, as funds drawn from the fund have been less than amounts accruing to it. In the CARES Act (P.L. 116-136) in 2020, Congress provided for

an accounting change that makes discretionary spending from the HMTF, in an amount up to the previous year's deposits (which were $1.769 billion in FY2019), not count toward budget caps. The provision takes effect the earlier of January 1, 2021, or the date of enactment of water resource authorizing legislation, and remains in effect thereafter.

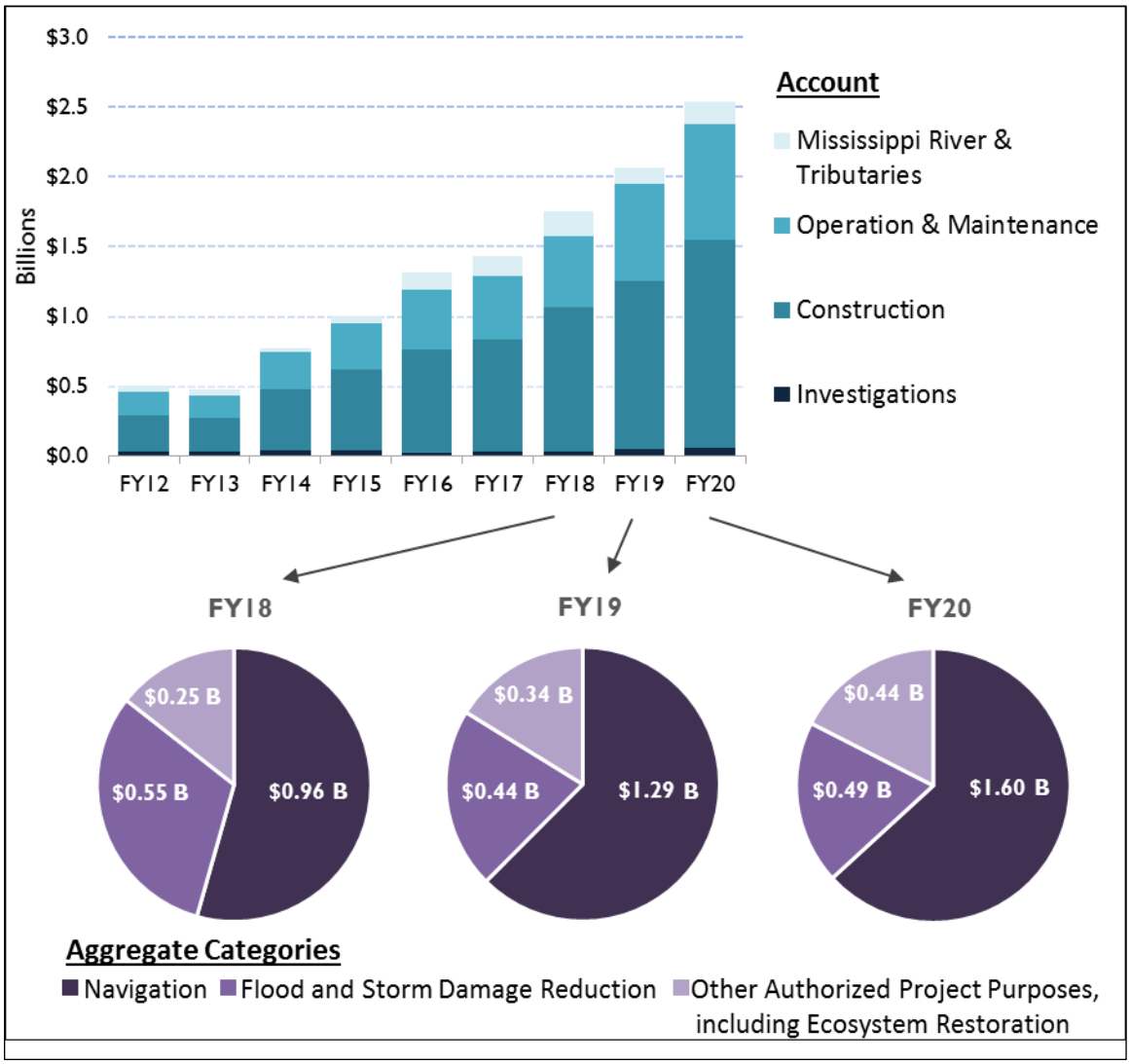
Additional Funding

For decades, Congress provided funding to USACE projects that were not included in the President's request until the House and Senate earmark moratoriums limited Congress's ability to select which site-specific projects would receive funding. Since the 112th Congress, in lieu of increasing funding for specific projects, Congress has provided *additional funding* for specified categories of work within some USACE budget accounts. That is, in recent appropriations cycles, Congress has included additional funding categories for various types of USACE projects (e.g., additional funding for inland navigation), along with directions and limitations on the use of these funds on authorized studies and projects. Recent levels of additional funding are shown in **Figure 4**. For example, Congress provided $2.69 billion more in P.L. 116-94 than the President's request for FY2020. Of this $2.69 billion, $2.53 billion was identified as additional funding for 26 categories of USACE activities in four budget accounts (see **Appendix B**). In **Figure 4**, categories are aggregated into navigation activities, flood risk reduction activities, and other authorized project purposes (e.g., environmental restoration). Since FY2014, Congress also has specified in each appropriations bill the number and types of studies and projects to be selected to receive funding for the first time (referred to as *new starts*). For example, Congress directed USACE to use FY2020-enacted funding to initiate a maximum of six new studies and six new construction projects.[16]

[16] Congress provided direction in the FY2020 explanatory statement for the type of studies and construction projects to fund as new starts. For studies, Congress directed one multipurpose watershed study to address coastal resiliency, one for environmental restoration, one for flood and storm damage reduction, one for either flood and storm damage reduction or environmental restoration, and two for navigation. For construction, Congress directed two for navigation and two for environmental restoration. The other two new construction starts could be flood and storm damage reduction, environmental restoration, or multipurpose projects. Although Congress allowed USACE to initiate two new environmental infrastructure assistance activities using FY2020 appropriations, the agency chose not to fund any new environmental infrastructure starts. For information on USACE environmental infrastructure assistance authorities, see CRS In Focus IF11184, *Army Corps of Engineers: Environmental Infrastructure Assistance*, by Anna E. Normand.

Figure 4. Additional Funding in USACE Annual Appropriations by Account and Aggregated Categories

($ in billions, nominal)



Source: CRS, using conference reports for enacted appropriations for FY2012 and FY2014 to FY2020. The FY2013 amount is a CRS estimate based on data in USACE, "Civil Works, FY2013 Work Plan," 2013.

Notes: Each of the aggregate categories includes amounts provided in multiple budget accounts, with much of the funds allocated to more specific subcategories (e.g., the navigation aggregate category in Operation and Maintenance includes funds for an inland waterways subcategory; see **Appendix B**). The aggregate category labeled as "Other Authorized Project Purposes, including Ecosystem Restoration" includes unspecified activities (i.e., the Administration can choose among any other authorized project purposes), environmental restoration or compliance, and environmental infrastructure. Amounts shown do not include supplemental appropriations.

Agency Work Plan

Since FY2012, Congress has directed USACE to produce an annual work plan describing how funds will be allocated at the project level. For example, in FY2020, the explanatory statement accompanying the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), called for USACE, within 60 days after enactment of the appropriations bill, to issue a work plan that

includes the specific amount of additional funding to be allocated to each project.[17] The Administration develops the work plan, which typically consists of tables that list the projects, the amount of additional funding that each project is to receive, and a one- or two-sentence description of what USACE is to accomplish with the funds for the project.[18] For projects not in the budget justifications that accompanied the President's budget request, the information included in the work plan may be the extent of the Administration's public explanation of the project-level work to be accomplished during the fiscal year.[19]

During the FY2014 to FY2019 period, investments in some USACE business lines increased and investments in other business lines decreased.[20] As shown in **Figure 5**, Congress provided year-to-year increases in funding for navigation, which exceeded annual navigation spending in the FY2006 to FY2013 period. In contrast, annual funding for the environment (i.e., environmental restoration and environmental stewardship business lines) was less from FY2014 to FY2019 (ranging from $470 million to $591 million annually) compared with funding in the earlier FY2006 to FY2012 period, which ranged from $609 million to $680 million annually.[21]

Funding for flood risk reduction has remained around 30% of the total annual appropriations for most of the years in the FY2006 to FY2019 period shown in **Figure 5**. The majority of the annual flood-related funds shown in **Figure 5** are for riverine flood risk reduction activities. For example, of the construction funds for flood risk reduction provided in annual appropriations acts for FY2017, FY2018, and FY2019, funding for coastal storm damage reduction represented 11%, 9%, and 7%, respectively.[22] The explanatory statement accompanying the FY2020 appropriations act (P.L. 116-94) includes the following statement: "Within the flood and storm damage reduction mission, the Corps is urged to strive for an appropriate balance between inland and coastal projects."[23]

Of the previously mentioned $47 billion in flood-related supplemental appropriations from FY2006 to FY2019, Congress provided around $24 billion for construction of flood risk reduction projects. Congress provided almost $15 billion of the $47 billion to the Flood Control and Coastal Emergencies (FCCE) account for flood fighting and repair of certain nonfederal flood risk reduction projects during the FY2006 to FY2019 period. In contrast, annual appropriations for FCCE generally have been less than $35 million and used for emergency response training and preparedness (**Table 1**).

---

[17] The explanatory statement accompanying the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), is published as U.S. Congress, House Committee on Appropriations, *H.R. 1865 / Public Law 116–94*, committee print, 116th Cong., 2nd sess., January 2020, 38-697, pp. 393-493, at https://www.govinfo.gov/content/pkg/CPRT-116HPRT38679/pdf/CPRT-116HPRT38679.pdf. The work plan is published at http://www.usace.army.mil/Missions/Civil-Works/Budget/.

[18] Three executive branch entities typically develop the work plan: USACE, Assistant Secretary of the Army (Civil Works), and the Office of Management and Budget.

[19] USACE typically provides no details in the work plan on which projects in the continuing authorities programs are funded by appropriations. For more information on continuing authorities programs, see CRS In Focus IF11106, *Army Corps of Engineers: Continuing Authorities Programs*, by Anna E. Normand.

[20] USACE has not released business line information for FY2020.

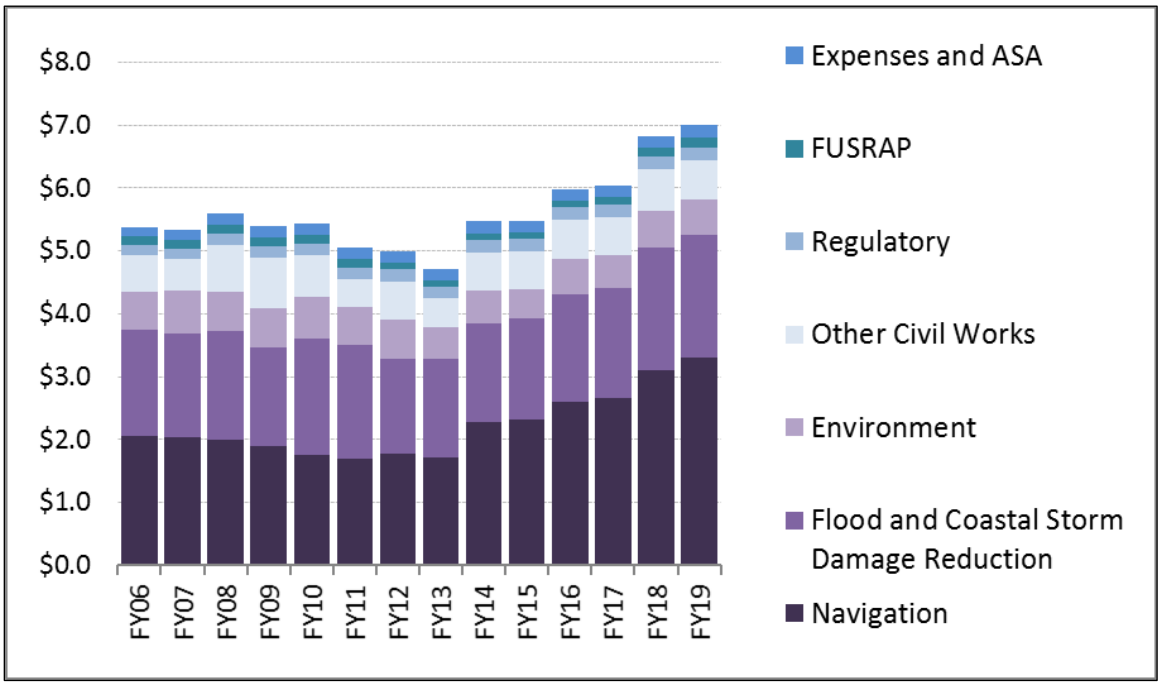
[21] In FY2013, the environment business line was $510 million. The environment business line consists of the funding for USACE's ecosystem restoration projects and USACE's efforts to manage the natural resources of USACE-administered land and water.

[22] The construction fund includes funds in both the Construction account and the Mississippi River and Tributaries (MR&T) account. The MR&T construction is assumed to be riverine flood risk reduction.

[23] U.S. Congress, House Committee on Appropriations, *H.R. 1865 / Public Law 116–94*, committee print, 116th Cong., 2nd sess., January 2020, 38-697, pp. 393-493, at https://www.govinfo.gov/content/pkg/CPRT-116HPRT38679/pdf/CPRT-116HPRT38679.pdf.

Figure 5. USACE Annual Appropriations by Business Line, FY2006 to FY2019

($ in billions, nominal)



Source: CRS, using annual account and budget information from CRS correspondence with USACE.

Notes: ASA = Assistant Secretary of the Army (Civil Works); FUSRAP = Formerly Utilized Sites Remedial Action Program. "Environment" includes ecosystem restoration and environmental stewardship. "Other Civil Works" includes business lines such as water supply, hydropower, recreation, and emergency management. "Other Civil Works" also includes environmental infrastructure, although USACE does not consider environmental infrastructure as a business line. USACE has not released business line information for FY2020. Amounts shown do not include supplemental appropriations, which represent $47 billion for flood fighting and recovery for FY2006 to FY2019 and $4.6 billion for economic recovery through the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

Trends and Policy Questions

Congress may consider the following trends and policy questions when determining future appropriations and funding allocation language directed to USACE.

Shift to Administration-Developed Work Plans

Since earmark moratorium policies were introduced in the 112th Congress, Congress has provided annual appropriations above the President's request to fund various additional categories of work (see **Figure 4** for funding levels from FY2012 to FY2020). The Administration follows congressional guidance regarding priorities, new starts, and other matters, in part, to develop post-enactment agency work plans that specify which projects are to receive the additional funding. Unlike the justification documents that accompany the President's budget request, the Administration limits the project-level details in the work plan to a few sentences per project. Potential policy questions related to the shift to Administration-developed work plans include the following:

- What is the effect on congressional oversight when the USACE work plan provides fewer project-level details than the budget request?
- As Congress debates the limits on congressionally directed spending (or earmarks), will considerations include the type of direction Congress can provide USACE on the use of additional funding?
- How might Congress address differences between its priorities and the Administration's priorities for USACE in future fiscal years' appropriations?

Construction Backlog

According to USACE, in early FY2020, there was a construction backlog of $96 billion, including projects with signed Chief's reports (i.e., reports recommending new projects for congressional construction authorization), dam modifications, and deferred maintenance.[24] At the FY2021 budget release press conference, the Chief of Engineers stated that since the enactment of the last Water Resources Development Act (Title I of America's Water Infrastructure Act of 2018; P.L. 115-270), he had signed 19 Chief's reports, representing over $9 billion in proposed construction; he also said he anticipated signing another 19 Chief's reports by the end of CY2020. If Congress authorizes these projects, the construction backlog would likely continue to increase more quickly than construction would progress using available USACE appropriations. For example, Congress appropriated $2.2 billion in FY2019 and $2.7 billion in FY2020 for the Construction account and required five new construction starts in FY2019 and six new construction starts in FY2020. Potential policy questions related to the construction backlog include the following:

- How might Congress address the national demand for water resource infrastructure projects, in part illustrated by the USACE construction backlog?
- How might Congress address stakeholder interest in new starts and identify a path to construction for authorized but unfunded USACE projects?

Shift to Operation and Maintenance

U.S. water infrastructure is aging; the majority of the nation's dams, locks, and levees are more than 50 years old. An increasing share of USACE's annual discretionary appropriations goes to O&M activities, including activities to maintain USACE-constructed water infrastructure (see **Table 1** for description of activities funded by the O&M account). The O&M account increased from 37% of USACE annual appropriations in FY2006 and FY2007 to a high of 53% in FY2018 and FY2019. The following is a potential policy question related to the shift toward more annual appropriations being used to for O&M:

- How might Congress address the funding of aging USACE infrastructure, while also meeting the other demands for agency projects and funds?

Navigation

As discussed in the box titled "Navigation Trust Funds," in P.L. 116-136, Congress altered how some Harbor Maintenance Trust Fund spending is accounted for in relation to budget caps. Congress, as recently as for FY2020 appropriations in P.L. 116-94, has reduced the funds to be derived from the Inland Waterways Trust Fund for some projects to allow more inland waterway construction projects to proceed. The Administration has proposed identifying additional ways for

[24] See footnote 7

waterway interests to contribute to the costs of inland waterway construction and O&M. Potential policy questions related to funding navigation actives include the following:

- How might Congress address the interest of the inland waterways industry and its stakeholders in spending on waterway construction that exceeds the Inland Waterways Trust Fund's ability to cover 50% of the construction costs?
- Will the anticipated changes to Harbor Maintenance Trust Fund accounting toward budget caps and allocations result in congressional adjustments to the annual appropriations levels for USACE or other federal agencies' appropriations?

Flood Risk Reduction

Congress has directed around 30% of USACE's annual appropriations to support flood risk reduction activities, with around 90% of these funds, in most years, supporting riverine flood risk reduction. In addition, as previously noted, the FCCE account typically receives annual appropriations around $35 million, and its flood response and repair activities are primarily funded through supplemental appropriations. Potential policy questions related to funding flood risk reduction actives include the following:

- Will Congress or the Administration address the balance between inland and coastal projects referenced in the explanatory statement accompanying USACE's FY2020 appropriations in P.L. 116-94?
- What are the consequences of primarily using supplemental appropriations to fund FCCE activities, including repair of damaged nonfederal levees?

Environment

As previously noted, appropriations for USACE's environmental activities in recent years have been less than in the late 2000s. Annual funding for the environment was less from FY2014 to FY2019 (ranging from $470 million to $591 million) compared with funding in the earlier FY2006 to FY2012 period, which ranged from $609 million to $680 million annually. Postponed investments in aquatic ecosystem restoration may result in missed opportunities to attenuate wetlands loss and realize related ecosystem benefits. Potential policy questions related to the funding of USACE environmental actives include the following:

- What are the consequences of the current level and distribution of USACE restoration funding?

Appendix A. USACE Business Line/Account Crosswalk

Congress appropriates funding to the U.S. Army Corps of Engineers (USACE) for its civil works activities at the account level (e.g., Investigation, Construction, and Operation and Maintenance [O&M]). **Table 1** provides a description of each account. Activities funded in these accounts are categorized by *business lines* based on the type of activities. Whereas some business line activities (e.g., navigation, flood damage reduction, restoration, recreation) are spread across accounts (e.g., Investigations, Construction, O&M), other business line activities are exclusive to one account with the same name (e.g., Formerly Utilized Sites Remedial Action Program, regulatory, expenses). Along with the President's budget request, USACE publishes a *press book* that identifies in a crosswalk how the President's requests for various accounts are distributed across the agency's business lines. For example, **Figure A-1** shows the crosswalk for the FY2018 President's budget request for USACE; the columns are the accounts, and the rows are the business lines. Following enactment of appropriations and work plan development, USACE typically also calculates the level of funding for each business line.

Figure A-1. FY2018 Business Line/Account Crosswalk

FY 2018 Budget
Business Line/Account Cross-Walk ($ Millions)

Business Lines/Funding Categories: 1/

	I	C	O&M 2/	MR&T				FUSRAP	REG	FCCE	E	ASA (CW)	TOTAL
				I	C	O&M	TOTAL MRT						
Flood and Coastal Storm Damage Reduction	51	406	728	3	93	90	185						**1,370**
Coastal	21	2	23										46
Inland	30	404	705	3	93	90	185						1,324
Navigation	19	310	1,717		15	37	52						**2,098**
Coastal	11	133	933			2	2						1,079
Inland	8	177	784		15	35	50						1,019
Hydropower		4	243										**247**
Environment													
Ecosystem Restoration	16	300	19		1		1						**335**
Stewardship			113			4	4						**117**
FUSRAP								118					**118**
Recreation			268			11	11						**280**
Water Supply			7										**7**
Regulatory									200				**200**
Emergency Management			6							35			**41**
Expenses											185		**185**
Office of the Assistant Secretary of the Army for Civil Works												5	**5**
TOTAL	**86**	**1,020**	**3,100**	**3**	**108**	**142**	**253**	**118**	**200**	**35**	**185**	**5**	**5,002**

1/ "Items Not Listed Under States" on pages 44-48 are not authorized with a specific business line, but costs are distributed by business line in accordance with outputs.
2/ O&M includes multi-purpose project costs that are not specific to any one business line; those costs are shared proportionally between the business lines that align with the authorized project purposes of the project incurring the cost.

I = Investigations; C= Construction; O&M = Operation and Maintenance; FUSRAP = Formerly Utilized Sites Remedial Action Program; FCCE = Flood Control and Coastal Emergencies; REG= Regulatory; E = Expenses; MR&T = Flood Control, Mississippi River and Tributaries

Source: USACE, *Fiscal Year 2018: Civil Works, Budget of the U.S. Army Corps of Engineers,* Press Book, May 2017, at http://cdm16021.contentdm.oclc.org/utils/getfile/collection/p16021coll6/id/1860/filename/1861.pdf.

Appendix B. Additional Funding Categories and Amounts

Since the 112th Congress, Congress has provided additional funding for specific categories of work within some USACE budget accounts (e.g., Investigations, Construction, O&M, Mississippi River and Tributaries). **Table B-1** shows the additional funding Congress provided in FY2018 to FY2020 for 26 categories of USACE activities across four budget accounts. Congress directed USACE to produce a work plan no later than 60 days after enactment of the appropriations bill, allocating these additional funds to projects meeting the criteria of the categories and any other direction provided in the explanatory statement or conference report. Some states received funding for larger projects, whereas others received funding for less extensive work. For example, under the Construction account, the work plan allocated $100 million or more per state in additional funding to 10 states—Alabama, California, Florida, Illinois, Louisiana, North Dakota, New Jersey, Pennsylvania, Tennessee, and Texas—in at least one of FY2018, FY2019, or FY2020; the work plans over that same period included between $1 million and $7 million annually per state for other states (e.g., Minnesota, Montana, New Mexico, Nevada, and Utah).

Table B-1. Additional Funding Categories and Amounts

($ in millions, nominal)

Account	Category	FY2018	FY2019	FY2020
	Navigation			
Investigations	Unspecified Navigation	6.6	10.0	7.0
Investigations	Coastal and Deep Draft	5.0	9.0	6.0
Investigations	Inland	5.0	5.5	9.8
Construction	Unspecified Navigation	337.1	509.0	377.9
Construction	Inland Waterways Trust Fund Revenues	112.0	110.8	75.6
Construction	Regional Dredge Demonstration Program	—	—	377.7
MR&T	Dredging	5.0	5.0	5.0
Operation and Maintenance	Unspecified Navigation	24.3	23.9	40.2
Operation and Maintenance	Deep-Draft Harbor and Channel	341.4	475.0	532.5
Operation and Maintenance	Donor and Energy Transfer Ports	40.0	50.0	50.0
Operation and Maintenance	Inland Waterways	30.0	40.0	55.0
Operation and Maintenance	Small, Remote, or Subsistence Navigation	50.0	54.0	65.0
	Flood and Storm Damage Reduction			
Investigations	Unspecified Flood and Storm Damage Reduction	6.5	6.6	6.0
Investigations	Flood Control	5.0	4.5	4.0
Investigations	Shore Protection	2.0	2.0	4.0
Construction	Unspecified Flood and Storm Damage Reduction	180.0	150.1	150.0
Construction	Flood Control	188.0	150.0	170.0
Construction	Shore Protection	50.0	55.0	50.2

MR&T	Unspecified Flood and Storm Damage Reduction	117.1	73.1	105.1
	Other Authorized Project Purposes			
Investigations	Unspecified	3.0	6.5	6.0
Investigations	Environmental Restoration or Compliance	1.5	3.8	17.6
Construction	Unspecified	70.0	108.0	85.0
Construction	Environmental Restoration or Compliance	35.0	50.0	100.0
Construction	Environmental Infrastructure	70.0	77.0	100.0
MR&T	Unspecified	50.0	40.0	50.0
Operation and Maintenance	Unspecified	24.0	50.0	85.0

Source: Category and amounts are based on data from conference reports and explanatory statements for enacted appropriations.

Notes: MR&T = Mississippi River and Tributaries. The explanatory statements provide some further direction on use of additional funds (e.g., for additional construction funding in FY2020, USACE was to allocate not less than $40.6 million to projects with riverfront development components). Congress first provided dedicated additional funding to the Regional Dredge Demonstration Program in FY2020.

Author Contact Information

Anna E. Normand
Analyst in Natural Resources Policy
[redacted]@crs.loc.gov , 7-....

Nicole T. Carter
Specialist in Natural Resources Policy
[redacted]@crs.loc.gov, 7-....