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Army Corps of Engineers: FY2022 Appropriations

Congress generally funds the civil works activities of the U.S. Army Corps of Engineers (USACE) in annual Energy and Water Development appropriations acts. These activities include the planning and construction of authorized water resource projects and the operation and maintenance of infrastructure and navigation improvements managed by USACE. For USACE civil works, President Biden requested \$6.79 billion for FY2022, which was \$547 million above FY2021 enacted. Since FY2013, Congress has funded USACE above the President's request. For FY2022, Congress provided \$8.34 billion (19% above the FY2022 request and 7% above FY2021 enacted level) in the Consolidated Appropriations Act, 2022 (Division D, Title I of P.L. 117-103). In 2021, Congress also provided USACE with \$22.81 billion in supplemental appropriations in P.L. 117-43 and P.L. 117-58 (see CRS In Focus IF11945, *U.S. Army Corps of Engineers: Supplemental Appropriations*). Of these supplemental funds, \$20.68 billion were made available in FY2022.

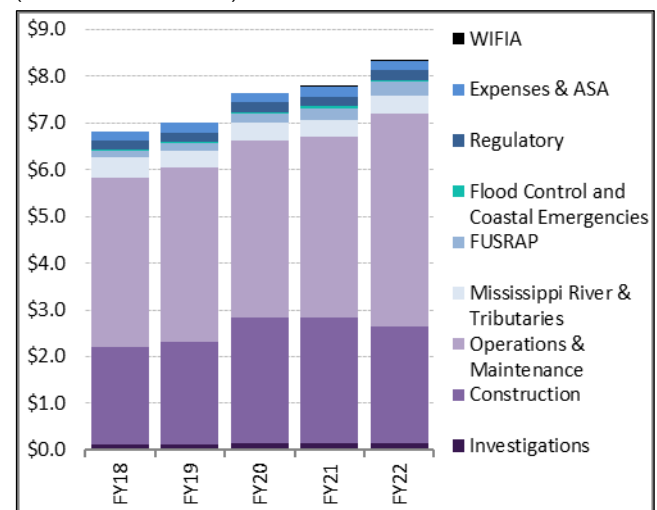
USACE Funding

Unlike many of the federal agencies that support infrastructure investments by distributing funds to nonfederal entities by formula or through competitive grant programs, USACE commits funds directly for project planning and construction. It uses most of its appropriations for work on specific studies and projects authorized by Congress. The costs for these activities are often shared with nonfederal project sponsors or users. For more on the USACE appropriations process and related issues, see CRS Report R46320, *U.S. Army Corps of Engineers: Annual Appropriations Process and Issues for Congress*.

As did budget requests by previous Administrations, a majority of President Biden's FY2022 USACE budget request would have funded existing infrastructure through the operations and maintenance (O&M) account. Congress provided 55% of FY2022 USACE appropriations through the O&M account, which included an increase of \$720 million in FY2022 compared with FY2021. Congress provided less funding for four accounts in the enacted FY2022 annual appropriations compared with FY2021 (e.g., \$200 million less for the Construction account; see **Figure 1**). Pursuant to direction in the joint explanatory statement that accompanied P.L. 117-103 enactment, Congress funded a "limited number" of new studies and projects (referred to as *new starts*); these included the Administration's request for seven new studies and four new construction projects.

Figure 1. USACE Annual Appropriations by Account, FY2018-FY2022

(nominal \$, in billions)



Source: CRS, based on enacted appropriations laws.

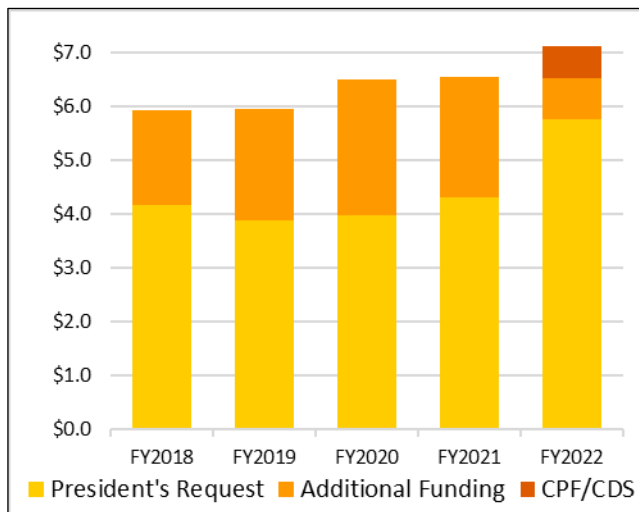
Notes: ASA = Assistant Secretary of the Army; FUSRAP = Formerly Utilized Sites Remedial Action Program; Regulatory = Regulatory Program; WIFIA = Water Infrastructure Finance and Innovation Act.

Congressionally Directed Funding

The 117th Congress included congressionally directed funding for site-specific studies and projects in the FY2022 appropriations process. From the 112th to the 116th Congresses, moratorium policies limited congressionally directed funding of these studies and projects, which are sometimes referred to as *earmarks*. For FY2022, in addition to providing funds for the President's requested studies and projects, Congress in the joint explanatory statement (1) funded geographically specific studies and projects that were requested by Members of Congress (i.e., *community project funding/congressionally directed spending*, CPF/CDS) and (2) provided funds in broad categories (referred to as *additional funding*), such as shore protection, and directed USACE to develop a work plan for distributing funds to individual studies and projects (as had been the case in the 112th-116th Congresses). Congress did not provide the Administration with authority to initiate additional new starts beyond those listed in the explanatory statement with FY2022 work plan appropriations. Additional funding in FY2022 totaled \$782 million, down from \$2.25 billion in FY2021 (**Figure 2**). CPF/CDS, which were not part of FY2021 appropriations, totaled \$584 million in FY2022. While most CPF/CDS requests by Members were included in FY2022 enacted appropriations, some CPF/CDS items included in the FY2022 House and Senate bills were funded at a lower level than requested or not included in the enacted bill.

Figure 2.USACE Funding for Individual Studies and Projects, FY2018-FY2022

(nominal \$, in billions)

**Source:** CRS, using enacted appropriations laws and reports.**Notes:** CPF/CDS = community project funding/congressionally directed spending. Continuing Authorities Programs are not included.

Navigation Improvements

The FY2022 budget requested \$3.44 billion for navigation, including \$2.26 billion for coastal navigation and harbors and \$1.19 billion for inland and intracoastal waterways. Some navigation activities are funded by trust funds—the Inland Waterways Trust Fund (IWTF) and the Harbor Maintenance Trust Fund (HMTF). The budget request proposed to create separate accounts for the funds, but Congress did not adopt the proposal. The FY2022 work plan will determine the amount allocated for USACE navigation projects in FY2022.

The IWTF receives collections from a \$0.29 per gallon fuel tax on commercial vessels on designated waterways. WRDA 2020 (Division AA of P.L. 116-260) amended the required contribution by the IWTF toward some USACE construction projects on inland and intracoastal waterways. As a result, the IWTF contributes 35%, rather than 50%, to the construction of projects receiving construction appropriations in FY2021 through FY2031 (or until the projects are complete). The FY2022 work plan will determine the amount derived from the IWTF for the year.

The HMTF receives Harbor Maintenance Tax (HMT) collections. The HMT is applied principally to imported and domestic waterborne cargo at coastal and Great Lakes ports. Congress has authorized using HMTF monies for certain coastal navigation and harbor O&M activities. In most years since the early 1990s, annual HMT collections and interest on the HMTF balance exceeded annual spending on HMTF-eligible activities. Due to provisions enacted in Section 14003 of P.L. 116-136 and Section 101 of P.L. 116-260, use of some HMTF funds no longer counts toward annual budget caps (see CRS In Focus IF11700, *Water Resources Development Act of 2020*). In P.L. 117-103, Congress provided USACE with almost \$2.04 billion from the HMTF in FY2022, which is above the HMTF revenue projection of \$1.97 billion.

Flood Risk and Aquatic Ecosystem Restoration

The FY2022 request for inland and coastal flood risk reduction was \$1.72 billion, of which \$1.68 billion was for inland projects and \$37 million for coastal projects. The request included \$359 million for Everglades restoration among the \$498 million requested for aquatic ecosystem restoration activities. Congress through P.L. 117-103 provided additional funding to support these types of projects and funded specific flood and restoration projects based on CPF/CDS requests. Congress supported Everglades restoration at \$359 million. The FY2022 work plan will determine how much of the additional funding is used for each of riverine flood risk reduction, coastal storm damage reduction, and aquatic ecosystem restoration activities.

Continuing Authorities Programs

USACE plans and constructs projects of limited scope and cost, without project-specific authorizations, through its Continuing Authorities Programs (CAPs; see CRS In Focus IF11106, *Army Corps of Engineers: Continuing Authorities Programs*). While President Biden's FY2022 request included \$5 million for four of nine authorized CAPs, Congress funded \$53 million for eight CAPs for FY2022 in P.L. 117-103. Some of the CAP funding was directed toward specific projects as CPF/CDS under five CAPs.

Environmental Infrastructure Assistance

Since 1992, Congress also has authorized and funded USACE to provide environmental infrastructure (EI) assistance (e.g., planning, design, and construction of municipal drinking water and wastewater infrastructure projects in specified communities, counties, and states). (See CRS In Focus IF11184, *Army Corps of Engineers: Environmental Infrastructure (EI) Assistance*.) For FY2022, the Administration did not request funding for EI assistance; however, Congress funded \$92 million for specific EI assistance authorities as CPF/CDS, plus \$13 million for USACE to allocate to EI assistance authorities in its FY2022 work plan.

Civil Works Infrastructure Financing Program

In 2014, the Water Infrastructure Finance and Innovation Act (WIFIA; 33 U.S.C. §§3901-3914, as amended) authorized USACE to provide credit assistance, in the form of secured or direct loans, for a range of water resource projects. In FY2021, Congress created a new USACE WIFIA account and funded the program at \$14.2 million. Congress provided an additional \$75.0 million for the USACE WIFIA account in P.L. 117-58 and \$7.2 million for FY2022. The funds provided to date are to cover the subsidy and administrative costs for financial assistance for nonfederal dam safety projects. (See CRS Insight IN11577, *U.S. Army Corps of Engineers Civil Works Infrastructure Financing Program (CWIFP): Status and Issues*).

Anna E. Normand, Analyst in Natural Resources Policy
Nicole T. Carter, Specialist in Natural Resources Policy

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