

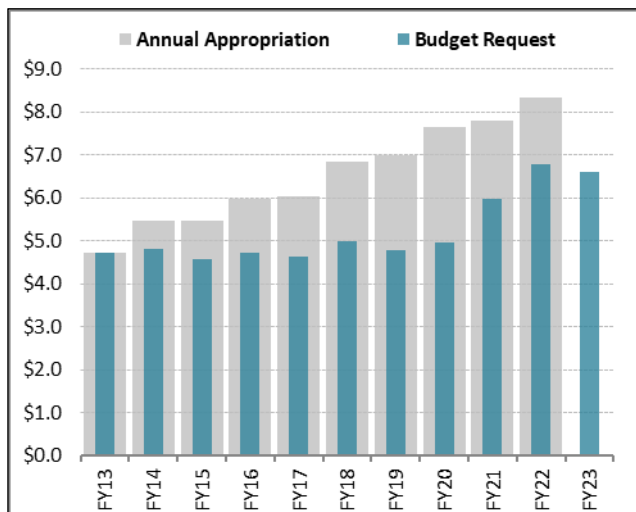
May 2, 2022

Army Corps of Engineers: FY2023 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 \$6.60 billion for FY2023 (see **Figure 1**), which is \$1.74 billion below FY2022 enacted annual appropriations of \$8.34 billion (Division D, Title I of P.L. 117-103). In 2021, Congress 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 P.L. 117-58 supplemental appropriations, \$1.08 billion are to become available for use in FY2023 (e.g., \$1.00 billion for navigation Operations and Maintenance [O&M] activities). During the FY2023 appropriation process, the Administration may continue its allocation of these supplemental funds toward eligible USACE activities.

Figure 1. Annual USACE Budget Requests and Appropriations, FY2013-FY2023

(nominal \$, in billions)



Source: Congressional Research Service (CRS).

USACE Funding and FY2023 Request

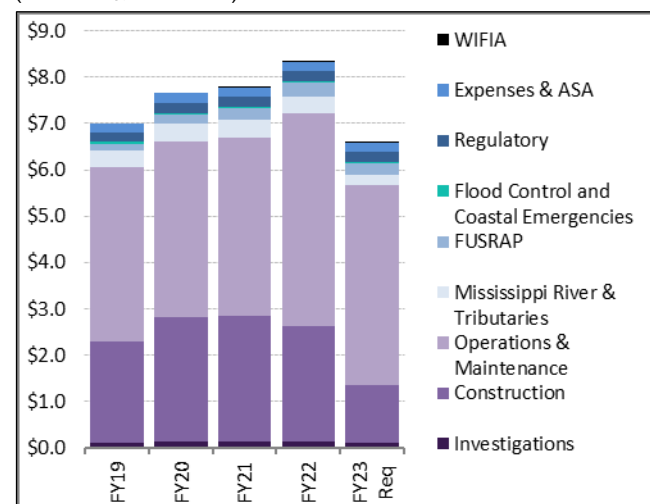
Unlike many of the federal agencies that support infrastructure investments by distributing funds to nonfederal entities by formula or through competitive grant programs, USACE directly commits funds for project planning and construction. It uses most of its appropriations for work on specific studies and projects authorized by Congress. Nonfederal project sponsors or users often share in the project construction costs.

As with previous budget requests, a majority of President Biden's FY2023 USACE budget request would fund maintenance of existing infrastructure, as reflected by the share of funds requested for the O&M account (see **Figure 2**). The share of funding for construction in the FY2023 budget request is 19%, which is less than the 30% for this account in FY2022 annual appropriations. The FY2023 request maintains the 2 to 1 benefit-cost ratio (BCR) threshold, first utilized last year, as the minimum basis for requesting funds for navigation and flood risk reduction construction projects. Previous Administrations often used a BCR threshold of greater than 2.5 to 1.

Newly funded studies and projects are referred to as *new starts*. The Administration is requesting funding for two new studies and no new construction starts for FY2023. The President's FY2022 budget request included seven new studies and four new construction projects; the enacted FY2022 annual appropriations funded a number of new study and construction projects in addition to those requested. Supplemental appropriations enacted in 2021 also allocated funds toward additional new starts in FY2022. 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*.

Figure 2. USACE FY2019-FY2022 Annual Appropriations and FY2023 Request, by Account

(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; Req = Request; WIFIA = Water Infrastructure Finance and Innovation Act. Although the FY2023 request included a proposal to fund certain expenses directly from two navigation trust funds, the FY2023 request is shown using traditional USACE accounts.

Navigation Improvements, Flood Risk Reduction, and Ecosystem Restoration Activities

The FY2023 budget requests \$3.12 billion for navigation—almost \$1.91 billion for coastal navigation and harbors and \$1.21 billion for inland and intracoastal waterways. Of the \$3.12 billion, \$2.90 billion would be for navigation O&M. For navigation construction, the request includes funds for one coastal project and one inland project.

The FY2023 request for flood risk reduction is \$1.51 billion, of which \$1.48 billion is for inland flood risk reduction projects (including \$396 million for construction projects). The request includes \$32 million for coastal storm damage reduction (with no funding for construction in this amount).

For FY2023, President Biden requests \$624 million for USACE aquatic ecosystem restoration efforts, of which \$418 million is requested for Everglades restoration.

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*). President Biden's FY2023 request includes \$4.5 million for four of nine authorized CAPs. In the enacted FY2022 annual appropriations, Congress funded \$53 million for eight CAPs.

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 in regular FY2022 appropriations. The funds provided to date are to cover the subsidy and administrative costs for financial assistance for nonfederal dam safety projects. The FY2023 request is for \$10 million for administrative costs to carry out the USACE WIFIA subsidies funded in FY2021 and P.L. 117-58. (See CRS Insight IN11577, *U.S. Army Corps of Engineers Civil Works Infrastructure Financing Program (CWIFP): Status and Issues*).

Actions to Address Climate Resilience and Disadvantaged Communities

The FY2023 request includes \$86 million for activities related to climate resilience for USACE O&M and project planning and \$37 million for community technical assistance (e.g., Planning Assistance to States). The request also notes that USACE plans to designate a lead in each district and division to identify ways to advance resilience to climate change, particularly for disadvantaged communities, under its existing authorities.

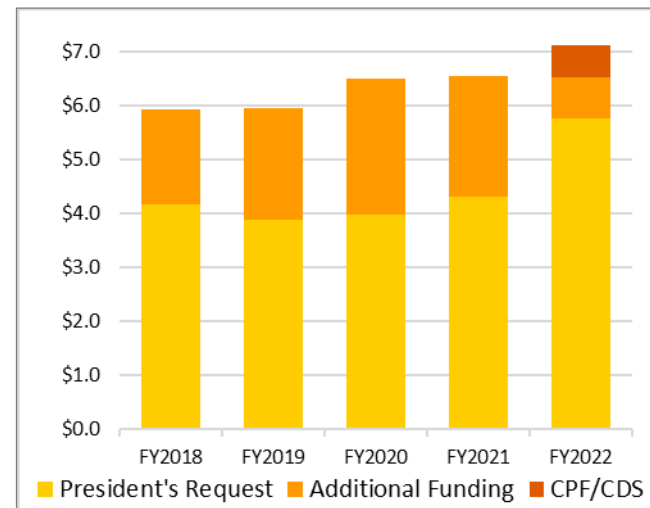
Congressionally Directed Funding Process

From the 112th to the 116th Congresses, moratorium policies limited congressionally directed funding of site-specific

studies and projects, which sometimes are referred to as *earmarks*. The 117th Congress included congressionally directed funding for these site-specific studies and projects in the enacted FY2022 appropriations (see **Figure 3**). For FY2022, in addition to providing funds for the President's requested studies and projects, Congress in the joint explanatory statement (1) funded \$584 million for geographically specific studies and projects that were requested by Members of Congress (i.e., *community project funding/congressionally directed spending items, CPF/CDS items*) and (2) provided funds in broad categories (referred to as *additional funding*), such as shore protection, and directed USACE to develop a work plan to distribute funds to individual studies and projects (as had been the case in the 112th-116th Congresses). While most CPF/CDS requests were included in FY2022 enacted appropriations, some CPF/CDS items included in the FY2022 House and Senate bills were funded at a lower level or not included in the enacted bill and explanatory statement.

Figure 3. 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.

For FY2023, the House and Senate Appropriations committees invited Members of Congress to request CPF/CDS items, respectively. Their instructions identify USACE's Investigations, Construction, Mississippi River and Tributaries, and O&M accounts as eligible for requests. Congress may choose to fund site-specific studies and projects using a similar approach as in FY2022, which combined addressing the President's request and CPF/CDS requests while providing additional funds for USACE to allocate in a work plan, or through another approach.

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