

Budgets and Appropriations: Restoring our Infrastructure

**Presentation to:
Inland Waterways Users Board**



BUILDING STRONG

Gary A. Loew

Headquarters, U.S. Army Corps of Engineers

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Budgets and Appropriations

(\$ Millions)



	<i>FY08 Execution</i>	<i>FY08 Budget</i>	<i>FY08 Approp</i>	<i>FY09 Budget</i>	<i>FY09 House</i>	<i>FY09 Senate</i>
Investigations	156	90	167	91	143	166
Construction	2,221	1,523	2,294	1,402	2,070	2,005
Operation & Maintenance	1,971	2,471	2,244	2,475	2,300	2,200
Mississippi River & Tributaries	385	260	387	240	278	365
Regulatory	158	180	180	180	180	183
Flood & Coastal Emergencies	953	40	0	40	40	40
F.U.S.R.A.P.	139	130	140	130	140	140
Expenses	168	177	175	177	177	177
ASA(CW)	4	0	5	6	5	5
Sub - Total	6,155	4,871	5,592	4,741	5,333	5,301
Supplementals		3,383	3,383	5,761	5,761	5,761
Stimulus Bill					4,600	4,600
Total		8,254	8,975	10,502	15,694	15,662

* No FY09 Energy & Water Development Appropriation has been passed. We are operating at FY08 levels under a Continuing Resolution Authority until Mar 09.



FY2009-11 Budgets and Appropriations



- Oct 08 – FY09 Continuing Resolution (CRA) to 6 Mar 09
- Feb 09 – ‘American Recovery and Reinvestment Act’
- Mar 09 – ARRA funds issued to field offices
- Feb/Mar 09 – FY09 Appropriations Act
- Mar 09 – FY09 Appns Act funds issued to field offices
- 26 Feb 09 – President presents FY10 Budget Overview
- Feb 09 – HQUSACE releases FY11 Budget Guidance to field offices
- Apr 09 – FY10 Budget details released to public
- Apr/May 09 – House/Senate FY10 Budget hearings
- May/Jun – Defense Supplemental?
- Early-mid 2010 – Another possible Stimulus Bill?



FY2009 Appropriations



- Continuing Resolution Act (CRA) extends until 6 Mar 09
- House and Senate have “informally” conferenced FY09
- Expect a filing soon; likely to bypass normal floor action
- FY09 Omnibus Appns bill likely in Feb/Mar 09
- CRA and FY09 House and Senate Appns bills exempt inland waterway rehabilitation projects from Inland Waterways Trust Fund cost sharing for FY 2009
- Executive Order (E.O.) instructs agencies to ignore Report directions; House and Senate FY09 Appns bills would incorporate Conference Report into law by reference to counteract E.O. New Administration position on E.O. unknown
- House and Senate bills would severely limit reprogramming by incorporating tables into law
- It is not likely that the final bill will keep this provision



- **\$4.6 billion for Corps programs**
- ARRA funds are not to be cost shared with Inland Waterways Trust Fund
- No cost-share exemption from the HMTF or cost-shared projects
- Significant “transparency” requirements for tracking, monitoring and reporting of specific metrics
- Final selection of projects scheduled for approval in mid Mar 09 with work allowances to Districts immediately following selection.
- All unobligated funds (except for E&D, S&A and claims) expire 30 Sep 2010.





ARRA Breakdown by Account



SUMMARY OF APPROPRIATIONS (\$Billions)

• Investigations	\$0.025
• Construction	\$2.000
• O&M	\$2.075
• MR&T	\$0.375
• Regulatory	\$0.025
• <u>FUSRAP</u>	<u>\$0.100</u>
• TOTAL	\$4.600





Stimulus-Project Selection Criteria



Project selection criteria in Conference Report are projects, programs or activities that will:

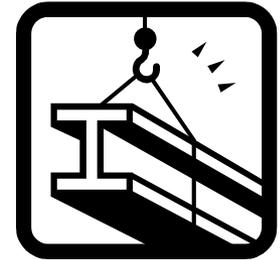
- (1) be obligated/executed quickly;
- (2) result in high, immediate employment;
- (3) have little schedule risk;
- (4) be executed by contract or direct hire of temporary labor; and
- (5) complete either a project phase, a project, or will provide a useful service that does not require additional funding.



Other ARRA Provisions



- Projects are eligible only if funded “heretofore or hereafter”
- Relief from cost sharing with IWTF
- Unlimited reprogramming authority
- Up to 0.5% to administer the bill
- NLT \$200K for environmental infrastructure
- Section 902 relief
- Ceiling relief for Section 14, 205, 206 and 1135 Programs
- Funds may be retained after 30 Sep 2010 expiration for E&D, S&A, Claims
- WRDA Sec 9006 relief (levee survey limi

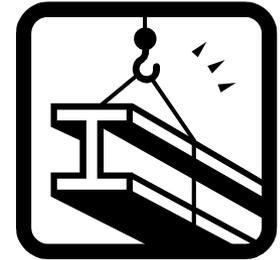




Benefits-Jobs Created



- Jobs created by USACE portion of stimulus estimated at 139,000.
 - Direct creation of ~37,000 new private sector jobs with average annual wages between \$38,000 and \$42,500
 - Additional 102,000 new jobs in industries supplying construction and O&M activities and sell goods and services to new workers and their families.





FY2010 Budget - Status



- President will deliver a FY10 Budget Overview to Congress on 26 Feb. It will be a high level document (with no accompanying agency detailed project information)
- OMB has provided the Corps a DRAFT FY10 Budget ceiling
- ASA/Corps staff are working with OMB on the final ceiling and program and project details.
- Target is to release FY10 Budget detailed information in mid-April



And for the Out Years ...



- FY 2011 Budget Guidance to divisions and districts to be sent within next 2 weeks
- Expect a major debate on Federal funding priorities to commence with the FY 11 budget
- We will continue to place a high priority on accurate 'capability' estimates from
- We will continue to place a high priority on execution of all that is appropriated
- We will seek to improve our budget 'defense' of the value to the nation of the water resources infrastructure for which we are responsible



Trends To Watch



- **Continuing Pressure on Budget**
 - Entitlement Programs
(Medicare, Medicaid, Social Security)
 - Interest on the National Debt
- **Cost of Infrastructure Recapitalization**
 - Improved Inspection Techniques
 - Modern Design Standards
 - Cost of meeting ESA and other legal requirements



Making the Case for Navigation What is the Message?

- **Economically Efficient**
- **Energy Efficient**
- **Safe**
- **Vital role in U.S. economy**
- **Essential part of the Transportation Infrastructure**
- **Other????**



The background of the slide features a close-up, slightly blurred view of the American flag, showing the stars and stripes. In the lower right quadrant, there is a silhouette of a castle or fortress with two prominent towers, rendered in a golden-yellow color.

Questions?

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