

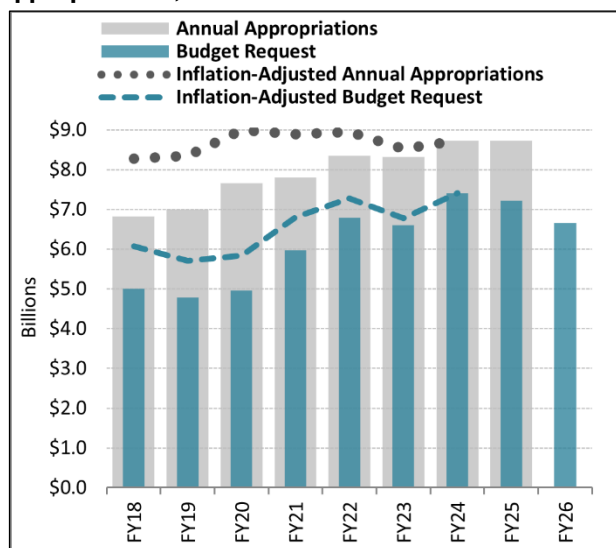
June 23, 2025

U.S. Army Corps of Engineers: FY2026 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 primarily include the planning and construction of authorized water resource projects and the operation and maintenance (O&M) of infrastructure and navigation improvements managed by USACE. USACE uses most of its appropriations for work on specific studies and projects authorized by Congress. Nonfederal project sponsors or users often share in project costs. For more on USACE appropriations, see CRS Report R46320, *U.S. Army Corps of Engineers: Annual Appropriations Process*.

President Trump's FY2026 budget request included \$6.66 billion for USACE civil works (**Figure 1**). This is \$2.04 billion less in nominal dollars than Congress provided in each of the previous two fiscal years. For FY2025, Congress passed a full-year continuing resolution (CR), the Full-Year Continuing Appropriations and Extensions Act, 2025 (FY2025 full-year CR; P.L. 119-4), which provided the same level of annual appropriations for USACE civil works as the appropriations provided by the Consolidated Appropriations Act, 2024 (Division D, Title 1, of P.L. 118-42). Therefore, annual appropriations for each of FY2024 and FY2025 were \$8.70 billion with rescissions of \$22 million from prior-year appropriations.

Figure 1. Annual USACE Budget Requests and Appropriations, FY2018-FY2026



Source: Congressional Research Service (CRS), based on appropriations laws and USACE budget requests.

Notes: Does not reflect supplemental appropriations, redirection of prior-year appropriations, rescissions, or reprogramming. The lines show inflation-adjusted FY2018-FY2024 amounts in FY2024 dollars using

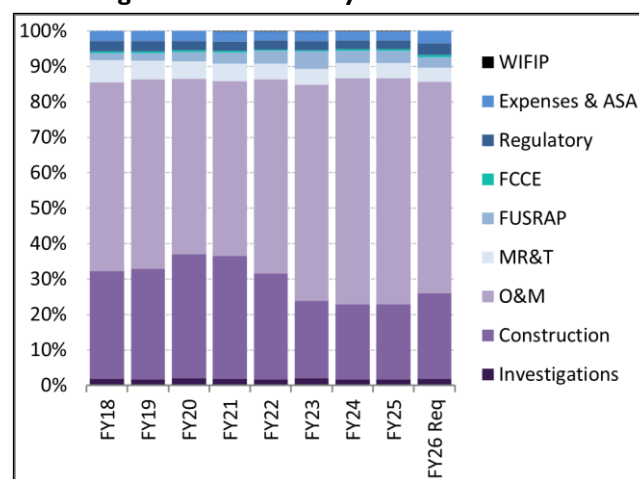
FY2026 Budget of the U.S. Government, Historical Tables, Table 10.1. FY2025 and FY2026 figures are not adjusted.

In addition to annual appropriations, Congress has provided supplemental appropriations to USACE in some fiscal years. While these funds were made available in prior fiscal years, some have yet to be obligated and expended. For more information, see CRS Report R48572, *U.S. Army Corps of Engineers: Supplemental Appropriations*.

USACE Funding in the FY2026 Request

As with previous requests and annual appropriations, a majority of the request would fund maintenance of existing infrastructure, as reflected in the amount proposed for the O&M account (see **Figure 2**). The request would fund 15 construction projects, including 2 under the Mississippi River and Tributaries (MR&T) account. For comparison, USACE allocated FY2025 appropriations in the FY2025 work plan to 28 construction projects under the Construction and MR&T accounts. The Administration did not request FY2026 funds for any new construction projects; however, it did request funds for four new studies. The FY2025 full-year CR did not allow funding for new studies or new construction projects.

Figure 2. USACE FY2018-FY2025 Annual Appropriations and FY2026 Budget Request, Percentage of Total Funds by Account



Source: CRS, using appropriations laws and the FY2026 request.

Notes: WIFIP = Water Infrastructure Finance and Innovation Program; ASA = Assistant Secretary of the Army; Regulatory = Regulatory Program; FCCE = Flood Control and Coastal Emergencies; FUSRAP = Formerly Utilized Sites Remedial Action Program; MR&T = Mississippi River and Tributaries; O&M = operation and maintenance; Req. = request. Does not reflect supplemental appropriations or redirection of prior-year appropriations, rescissions, or reprogramming. Although the FY2026 request includes a proposal to fund certain expenses directly

from a navigation trust fund, this figure shows only traditional USACE accounts.

Project Work Capability

As depicted in **Figure 1**, the President's request has been consistently less than enacted annual appropriations. From FY2022 through FY2024, much of this difference was from Member-requested funding for geographically specific studies and projects, referred to as "community project funding" (CPF) in the House and as "congressionally directed spending" (CDS) in the Senate. CPF/CDS have funded studies and projects above the budget request amount or those absent from the budget request. In recent years, including for FY2026, appropriations committees instructed Members submitting CPF/CDS requests to provide an estimate for USACE's capability for the work. *Capability* is typically considered the full funding level that USACE could apply to a study or project in a fiscal year regardless of policy constraints.

Some Members have expressed concern about how recent changes in USACE staffing may affect USACE's capability for project work. The budget request estimates that the number of direct civilian full-time equivalent (FTE) employees funded under the Construction account would decrease by 720 compared with the FY2025 estimate of 2,880. Further, the Expense account would support 23 fewer employees than in FY2025. The FTE employees of other accounts are estimated to be similar for FY2025 and FY2026. Responding to questions from Members regarding USACE's capabilities for specific projects for FY2026, the acting Assistant Secretary of the Army for Civil Works (ASACW) testified that the USACE was not able to assess the capability of individual projects without considering the overall capability of the USACE's district, division, and nationwide portfolios. The acting ASACW also indicated that the agency was figuring out how its capabilities compared with its resources.

Navigation and Its Two Trust Funds

At \$2.99 billion, navigation accounts for 44% of the FY2026 request. Of this total, \$1.67 billion would come from the Harbor Maintenance Trust Fund (HMTF) for eligible coastal and inland harbor-O&M-related USACE expenses (including \$30 million for construction related to dredge material disposal sites or certain uses) and \$918 million from General Funds for the inland and intracoastal waterway systems' O&M.

The FY2026 navigation construction request of \$379 million is largely for \$370 million in coastal and inland harbor work. The request includes \$9 million for inland and intracoastal waterway construction, which is proposed to receive no funding from the Inland Waterways Trust Fund (IWTF). The most recent budget request to include IWTF monies was for FY2023. The FY2025 full-year CR work plan allocated General Funds and almost \$50 million in IWTF funds to three inland waterway construction projects. The acting ASACW testified that the FY2025 work plan funded most ongoing IWTF-eligible projects close to their full capabilities and that USACE aims to apply IWTF balances to fund projects in future fiscal years as the agency's capabilities become available.

The FY2026 request proposes creating an account for USACE activities funded by the HMTF, as requested (but not enacted) in seven previous budget requests. The \$1.70 billion HMTF request is \$26 million lower than the previous three requests (e.g., \$1.73 billion in FY2025), and \$1.07 billion less than the amount provided for FY2025 (estimated at \$2.77 billion). The acting ASACW testified that the FY2026 requested HMTF funding is focused on "principal federal responsibilities, which [are] the maintenance and dredging of federal channels." The request also stated that of the FY2024 HMTF funds, "\$1.4 billion remained unobligated in the first quarter of 2025."

Flood Risk Reduction and Aquatic Ecosystem Restoration Activities

The FY2026 request for flood risk reduction is \$1.71 billion. Inland flood risk reduction would receive \$1.65 billion, including \$659 million in construction funding for projects such as dam safety work at Whittier Narrows, CA (\$571 million). The request also includes \$60 million for coastal storm damage reduction (with \$2 million of this amount for construction). For FY2026, the request includes \$650 million for USACE aquatic ecosystem restoration efforts, of which \$446 million is for Everglades restoration.

Corps Water Infrastructure Financing Program

In 2014, Congress authorized USACE to establish a program to provide credit assistance (i.e., direct loans or loan guarantees) for a range of water projects (33 U.S.C. §§3901-3915). Congress provided the program's first funding in FY2021. The Corps Water Infrastructure Financing Program (CWIFP) is funded from the Water Infrastructure Finance and Innovation Program (WIFIP) account. In September 2024, the program had invited 18 prospective borrowers to complete their application for CWIFP loans (see CRS Insight IN12021, *Corps Water Infrastructure Financing Program (CWIFP)*). According to the FY2026 request, funding for the WIFIP account is proposed to be eliminated because "there is no demonstrated need in the private market" for this federal assistance, and it is "duplicative of other" federal programs. It also stated that the program is "arguably outside of the Corps' mission, which is to provide engineering expertise for military construction and civil works projects—not serve as a creditor to private entities."

Continuing Authorities Programs and Environmental Infrastructure Assistance

The FY2026 request does not include funding for environmental infrastructure assistance (see CRS In Focus IF11184, *Army Corps of Engineers: Environmental Infrastructure (EI) Assistance*) or small USACE projects under the various continuing authorities programs (see CRS In Focus IF12635, *Continuing Authorities Programs (CAPs) of the U.S. Army Corps of Engineers*). The FY2025 full-year CR work plan did not fund these activities, aside from one CAP project; however, the American Relief Act, 2025 (ARA 2025; P.L. 118-158) provided \$100 million for flood and storm damage reduction CAP projects and \$300 million for EI assistance.

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