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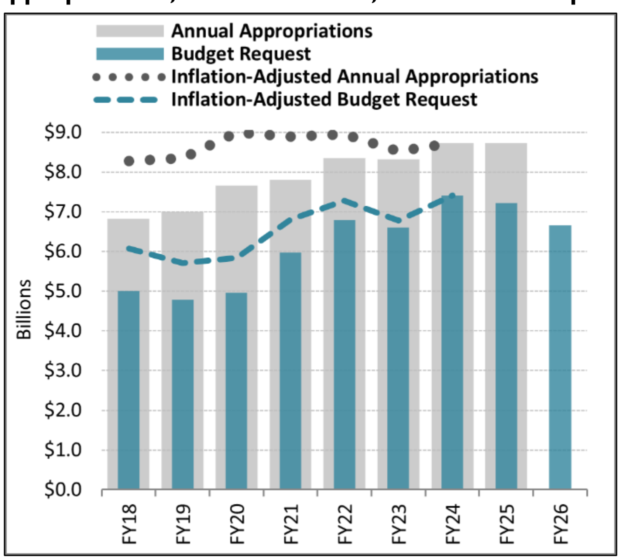
U.S. Army Corps of Engineers: FY2026 Appropriations

Congress generally funds and provides related policy direction to the civil works activities of the U.S. Army Corps of Engineers (USACE) in annual Energy and Water Development appropriations acts and their accompanying reports. These activities primarily include the planning and construction of authorized water resource projects and the operation and maintenance (O&M) of USACE-managed infrastructure and navigation improvements. USACE is operating under a continuing resolution (CR; P.L. 119-37), with appropriations accounts funded for operations at a rate consistent with FY2025 levels through January 30, 2026. Issues for Congress include the manner in which FY2026 appropriations are enacted for the remainder of the fiscal year and the accompanying project and policy direction.

FY2026 Request

The FY2026 budget request included $6.66 billion for USACE**,** which was $2.04 billion less in nominal dollars than the roughly $8.70 billion provided for in each of FY2024 and FY2025 (See **Figure 1**). For FY2025, a full-year CR, the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4), provided the same level of USACE annual appropriations as provided by the Consolidated Appropriations Act, 2024 (Division D, Title 1, of P.L. 118-42).

Figure 1. Annual USACE Budget Requests and Appropriations, FY2018-FY2025, and FY2026 Request

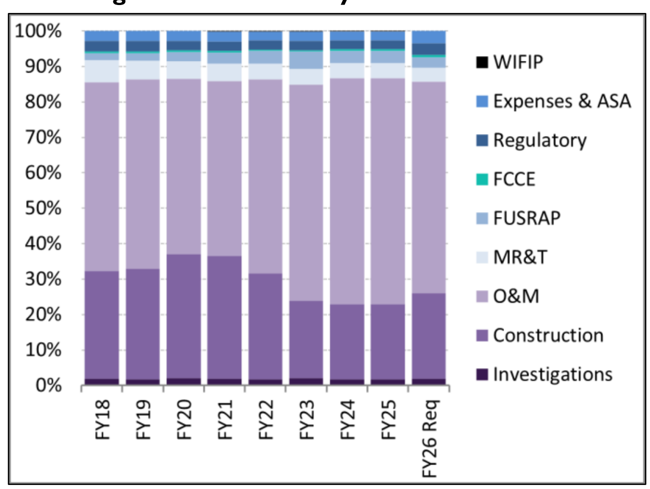


Source: Congressional Research Service (CRS), based on appropriations laws and USACE budget requests.

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.

USACE uses most of its appropriations on specific studies and projects authorized by Congress. Nonfederal project sponsors or users often share in these costs. As with previous requests, a majority of the President's FY2026 request proposed funding the maintenance of existing infrastructure, as reflected in the amount proposed for the O&M account (see **Figure 2**). The request also proposed funding 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. While the Administration did not request FY2026 funds to start new construction projects, it requested funds to begin four new studies. For more on FY2026 appropriations, see CRS Report R48599, *Energy and Water Development: FY2026 Appropriations*.

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 funds 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.

Navigation and Its Two Trust Funds

At $2.99 billion, navigation accounted 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 for the inland and intracoastal waterway systems' O&M derived from the Treasury's General Fund. The FY2026 navigation construction request of $379 million was largely for $370 million in coastal and inland harbor work. The request included $9 million for inland and intracoastal waterway construction, which was 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 work plan allocated General Fund monies and almost $50 million in IWTF funds to three inland waterway construction projects. In June 2025, the then-acting Assistant Secretary of the Army for Civil Works (ASACW) testified that the FY2025 work plan funded most ongoing IWTF-eligible projects close to their full capabilities. The FY2026 request also proposed creating a USACE account for activities funded by the HMTF, as requested (but not enacted) in seven previous budget requests.

Flood Risk Reduction and Aquatic Ecosystem Restoration Activities

The FY2026 request for flood risk reduction was $1.71 billion. The Administration proposed $1.65 billion for inland flood risk reduction, including $659 million in construction funding for projects such as dam safety work at Whittier Narrows, CA ($571 million). The request also included $60 million for coastal storm damage reduction. For FY2026, the request included $650 million for USACE aquatic ecosystem restoration efforts, of which $446 million was 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 invited 18 prospective borrowers to complete their applications for CWIFP loans (see CRS Insight IN12021, *Corps Water Infrastructure Financing Program (CWIFP)*). According to the FY2026 request, funding for the WIFIP account was no longer supported because "there is no demonstrated need in the private market" for this federal assistance and it is "duplicative" of other federal programs. The request 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 did 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 Administration did not fund these activities in its FY2025 full-year CR work plan 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.

Selected Congressional Action

On September 4, 2025, the House passed H.R. 4553, the Energy and Water Development and Related Agencies Appropriations Act, 2026, with $9.883 billion for USACE. The Senate Appropriations Committee Majority released draft FY2026 bill text and an accompanying report on November 24, 2025, with $9.791 billion for USACE.

Issues for Congress

Congressionally Directed Project Funding. 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. These CPF/CDS had funded studies and projects above the budget request amount or those absent from the budget request. No CPF/CDS requests were carried into the full-year CR for FY2025, and FY2026 CPF/CDS requests are not incorporated into USACE funding direction under P.L. 118-42. The manner in which Congress enacts appropriations for the remainder of the fiscal year is anticipated to determine whether—and, if so, how—FY2026 CPF/CDS requests influence USACE's use of FY2026 funds.

Ability to Perform Project Work. Some Members have expressed concern about how recent changes in USACE staffing and hiring may affect USACE's performance of project work (e.g., some Members have requested information on staffing of specific districts). At the start of FY2026, prior to the passage of P.L. 119-37, some USACE staff and activities were affected by the lapse in federal appropriations; other activities continued during the lapse using previously appropriated multiyear or no-year funds. It remains to be seen how the lapse in appropriations may have affected project actions, including coordination with other agencies and the agency's contracting, as well as the timeliness of USACE's regulatory decisions.

On October 17, 2025, a post by Russell Vought, Director of the Office of Management and Budget, indicated that the lapse in appropriations had hampered USACE's management of civil works project funds and that USACE would be "immediately pausing over $11 billion in lower-priority projects & considering them for cancellation." Various Democratic Members of the agency's House authorizing committee and the agency's House and Senate appropriations subcommittees have written to the ASACW and USACE's Chief of Engineers opposing the reported pause and requesting additional information.

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