

# CRS Report for Congress

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## **Appropriations for FY2002: Military Construction**

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Appropriations are one part of a complex federal budget process that includes budget resolutions, appropriations (regular, supplemental, and continuing) bills, rescissions, and budget reconciliation bills. The process begins with the President's budget request and is bound by the rules of the House and Senate, the Congressional Budget and Impoundment Control Act of 1974 (as amended), the Budget Enforcement Act of 1990, and current program authorizations.

This report is a guide to one of the 13 regular appropriations bills that Congress considers each year. It is designed to supplement the information provided by the House and Senate Defense Appropriations Subcommittees. It summarizes the current legislative status of the bill, its scope, major issues, funding levels, and related legislative activity. The report lists the key CRS staff relevant to the issues covered and related CRS products.

This report is updated as soon as possible after major legislative developments, especially following legislative action in the committees and on the floor of the House and Senate.

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# Appropriations for FY2002: Military Construction

## Summary

The military construction (MilCon) appropriations bill provides funding for (1) military construction projects in the United States and overseas; (2) military family housing operations and construction; (3) U.S. contributions to the NATO Security Investment Program; and (4) the bulk of base realignment and closure (BRAC) costs.

Funding for rebuilding parts of the Pentagon destroyed in the terrorist attack of September 11, 2001, is likely to be included in military construction appropriations. Preliminary estimates of the total cost vary from \$100 million to \$1 billion. Part of the emergency funding legislation, H.R. 2888 (P.L. 107-38), passed by Congress Friday, September 14, will be allocated for this rebuilding. To date, \$173.4 million in contracts have been awarded for emergency structural assessment, repair, and restoration to the Pentagon, with provision for additional awards at 60-day intervals.

On June 27, the Administration submitted a \$343.5 billion amended FY2002 defense budget request. \$10.0 billion of this is intended for military construction. Of that amount, \$4.6 billion is intended for the active services and DOD; \$0.6 billion for the National Guard and Reserves; \$4.1 billion for construction and operation of military family housing; \$0.2 billion for the NATO Security Investment Program, and \$0.5 billion for BRAC. Separate versions of appropriations bills (both granting \$10.5 billion in new budget authority) have been passed by Congress (H.R. 2904 and S. 1460).

A key issue in Congress is funding for quality of life construction. Military work facilities, particularly those overseas and those by the National Guard and Reserves, are perceived by many as being deteriorated and underfunded. Recently, Congress has often appropriated more in construction funds than the Administration has requested. Congress has similarly augmented budget requests for military family housing appropriations. The FY2002 military construction bill exceeds the requested amount by 5.3%.

An additional key issue is the future of the Efficient Facilities Initiative (EFI). DOD recommended legislation on August 3 to initiate a worldwide assessment of military installation requirements, based on the results of the current Quadrennial Defense Review, and a subsequent round of base closures and realignments. The legislation as submitted would permanently authorize the service secretaries to convey base property to local or state government or private enterprise and lease back what is necessary for military use. This is modeled on a demonstration project begun during FY2000 at Brooks Air Force Base, Texas. If enacted, the EFI is likely to affect the future need for military construction and operations and maintenance funding.

Other issues include the provision of construction contingency funds in budget requests (to enable uninterrupted construction), an understanding of the total costs of DOD real property (spread across several budget accounts), and recent conflicts between Administration and congressional construction priorities and funding. Conference action on the bill is pending.

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# Appropriations for FY2002: Military Construction

## Most Recent Developments

The House Appropriations Committee marked up the Military Construction Appropriations bill for FY2002 (H.R. 2904) on September 20, 2001, with House passage the next day on a 401-0 vote (vote no. 344). The Senate Appropriations Committee marked up its version of the bill (S. 1460) on September 25 and passed it the next day on a unanimous vote of 97-0 (vote no. 288). Although both bills appropriated \$10.5 billion, falling within adjusted 302(b) budget allocations, they differed in how the funding was allocated. Conferees met on October 16, 2001, and issued the conference report (H.Rept. 107-246) on H.R. 2904. The House approved the report on October 17 with a vote of 409-1 (vote no. 394). The Senate approved the report on October 18 with a vote of 96-1 (vote no. 305), clearing the measure for the President. The President signed the bill on November 5, 2001, enacting it as P.L. 107-64 (115 Stat. 474).

## Background: Content of Military Construction Appropriations and Defense Authorization Bills

The Department of Defense (DOD) manages the world's largest dedicated infrastructure, covering more than 40,000 square miles of land and a physical plant worth more than \$500 billion. The military construction appropriations bill provides a large part of the funding to enhance and maintain this infrastructure. The bill funds construction projects and real property maintenance of the active Army, Navy and Marine Corps, Air Force, and their reserve components; additional defense-wide construction; U.S. contributions to the NATO Security Investment Program (formerly known as the NATO Infrastructure Program); and military family housing operations and construction.<sup>1</sup> The bill also provides funding for the Base Realignment and Closure (BRAC) account, which finances most base realignment and closure costs,

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<sup>1</sup> Real property maintenance includes the repair and maintenance of buildings, structures, warehouses, roadways, runways, aprons, railway tracks, utility plants, and their associated distribution systems, plus minor construction (cost not to exceed \$500 thousand) to create new facilities or expand, alter, or convert existing facilities. The NATO Security Investment program is the U.S. contribution to Alliance funds for the construction of facilities and the procurement of equipment essential to the wartime support of operational forces in the common defense of the NATO area. Facilities funded by this program include airfields, naval bases, signal and telecom installations, pipelines, war headquarters, as well as early warning radar and missile installations.

including construction of new facilities for transferred personnel and functions and environmental cleanup at closing sites.

The military construction appropriations bill is one of several annual pieces of legislation that provide funding for national defense. Other major appropriation legislation includes the defense appropriations bill, which provides funds for all non-construction military activities of the Department of Defense and constitutes more than 90% of national security-related spending, and the energy and water development appropriations bill, which provides funding for atomic energy defense activities of the Department of Energy and for civil projects carried out by the U.S. Army Corps of Engineers. Two other appropriations bills, VA-HUD-Independent Agencies and Commerce-Justice-State, also include small amounts for national defense.<sup>2</sup>

The annual defense authorization bill authorizes all of the activities in the defense appropriation measures described above. Therefore, major debates over defense policy and funding issues, including military construction, can be also found in the authorization bill. Since issues in the defense authorization and appropriations bills intertwine, this report includes salient parts of the authorization bill in its discussion of the military construction appropriation process.

The separate military construction appropriations bill dates to the late 1950s and early 1960s when Congress funded a large defense infrastructure build-up precipitated by the heightened security threat posed by the Soviet Union. Defense construction spending soared as facilities were hardened against potential nuclear attack, missile silos were constructed, and other infrastructure was built. The appropriations committees established military construction subcommittees to deal with this new level of activity, and the separate military construction bill was created. The first stand-alone military construction bill was written for FY1959 (P.L. 85-852). Previously, military construction funding was provided through annual defense appropriations or supplemental appropriations bills.

Military construction appropriations are the major, but not the sole, source of funds for facility investments by the military services and defense agencies. The defense appropriations bill provides some funds for real property maintenance in operation and maintenance and minor construction accounts. In addition, funds for construction and maintenance of Morale, Welfare, and Recreation-related facilities are partially provided through proceeds of commissaries, recreation user fees, and other non-appropriated income.

Most funds appropriated by Congress each year must be obligated in that fiscal year. Military construction appropriations, though, are an exception. Because of the long-term nature of construction projects, these funds can generally be obligated for up to five fiscal years, reflecting the long-term nature of capital building programs.

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<sup>2</sup> See CRS Report RL31005, *Appropriations and Authorization for FY2002: Defense*, by Amy Belasco, Mary Tyszkiewicz, and Stephen Daggett, for details on the defense authorization and appropriation process.

Consideration of the military construction budget starts when the President's budget is delivered to Congress each year, usually in early February. This year is unusual, though, because the President did not submit his amended DOD FY2002 budget request until June 27, 2001.

## Status

**Table 1** shows the key legislative steps necessary for the enactment of the FY2002 military construction appropriations. It will be updated as the appropriation process moves forward.

**Table 1. Status of Military Construction Appropriations, FY2002**

Committee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
9/20/01	9/25/01	H.Rept. 107-207	9/21/01	S.Rept. 107-68	9/26/01	H.Rept. 107-246	10/17/01	10/18/01	P.L. 107-64

## Appropriations Action

**House Appropriations Action.** The House passed the FY2002 Military Construction Appropriations Act (H.R. 2904, H.Rept. 107-207, CR H5868-5875) without amendment on September 21, 2001, by a 401-0 vote. As passed by the House, the \$10.500 billion bill increased the military construction budget by \$1.035 billion, or 11%, above the FY2001 enactment. It decreased the current "facility replacement rate" of 192 years to 101 years and kept the Department of Defense on track to bring barracks and family housing up to acceptable habitability standards by 2008 and 2010, respectively.<sup>3</sup> This bill exceeded the president's request by \$528.7 million, allocating \$5.6 billion to military construction, \$163 million to the NATO Security Investment Program, \$4.1 billion to family housing, and \$552 million to Base Realignment and Closure (BRAC). It also required an upward adjustment of 302(b) budget allocation from \$10.2 billion to \$10.5 billion.

**Senate Appropriations Action.** The Senate passed the FY2002 Military Construction Appropriations Act (S. 1460, S.Rept. 107-68, CR S9828-9833) with amendment in the nature of a substitute of the House bill on September 26, 2001, by a 97-0 vote. As passed by the Senate, the \$10.500 billion bill exceeded the president's request by \$528.7 million, allocating \$5.5 billion to military construction, \$163 million to the NATO Security Investment Program, \$4.1 billion to family housing, and \$682 million to Base Realignment and Closure (BRAC). The bill was

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<sup>3</sup> The facility replacement rate measures the time required to replace all existing DOD facilities if spending is maintained at the rate set in the bill.



within the 302(b) allocation (see **Table 4** for side-by-side comparisons by appropriation account of the budget request, House and Senate bills).

**Conference Action.** Senate conferees were appointed on September 26. House conferees were appointed on October 2. The conferees met on October 16 and issued the conference report (H.Rept. 107-246). Their report was forwarded to the House floor on October 17, where it was approved with a vote of 409-1. The report was sent to the Senate floor, where it was approved with a vote of 96-1, clearing the bill for the President.

## Key Policy Issues

**Elective Quality of Life Construction.** Budget actions affect service member perceptions of the quality of military life through its impact on matters such as pay and benefits, health care, deployment schedules, and the like. In recent years, quality of life, including the use of military construction funds, has been a focus of the defense debate.

Recent committee attention has focused on improvements to housing, workplaces, and installation infrastructure (such as water, sewer, and electricity systems), through both new construction and improved operations and maintenance of existing facilities. Subcommittee hearings have discussed at length the application of military construction funds to housing and workplace improvements at bases overseas and within the continental United States. Efforts to leverage appropriated funds through the partial privatization of military housing and installation utility services have also been subjected to protracted dialogue in committee hearings. For an in-depth discussion of the privatization of housing see CRS Report RL31039, *Military Housing Privatization Initiative: Background and Issues*, by Daniel H. Else.

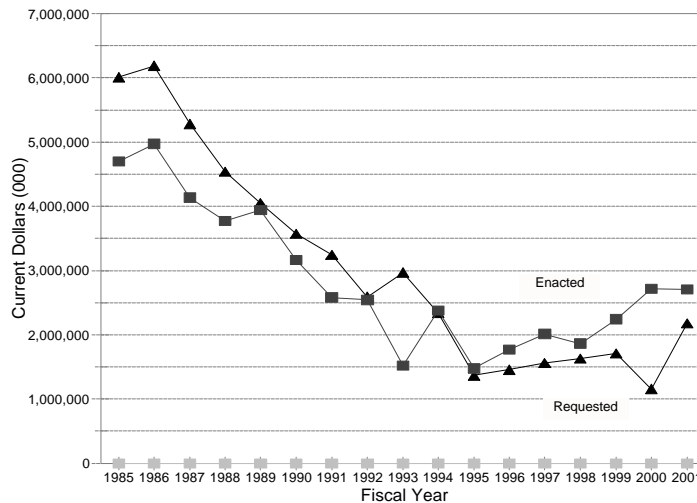
**Requested Congressional Additions to the Military Construction Budget.** In recent years, some analysts have criticized the military construction appropriations process for being prone to the insertion of unwanted and unnecessary undertakings. Others, though, have supported the addition of construction projects not requested by the Department of Defense as being necessary for military viability. An historical comparison shows that the divergence between DOD budget requests and congressional appropriation enactments originated relatively recently and has mainly affected the less than 20 % of military construction funding dedicated to the National Guard and Reserves (see **Table 5** at the end of this report).

Military construction funding since the mid 1980s can be broken into three distinct periods: prior to fiscal year 1989; fiscal years 1989 – 1994; and fiscal year 1995 to the present. Before FY1989, the relationship between funding requested by the Administration and budget authority enacted by Congress appeared stable. Congress typically appropriated approximately 80 % of DOD requests for military construction funds. Beginning with FY1989, Regular (i.e., active duty) component funding continued in the established pattern, but Reserve component requests (which include the federal reserves and the Army and Air National Guard) took a sudden and sharp downturn (see **Figures 1 and 2**). Congress responded by adding more than

35% to that year's budget Reserve component submission. This gap between reserve construction requests and appropriations has remained and widened. Finally, with FY1995, the pattern of funding for the Regular forces inverted. Although presidential requests reversed their downward direction and began to rise, Congress began to appropriate more than was requested and has continued to do so to the present.

**Figure 1**

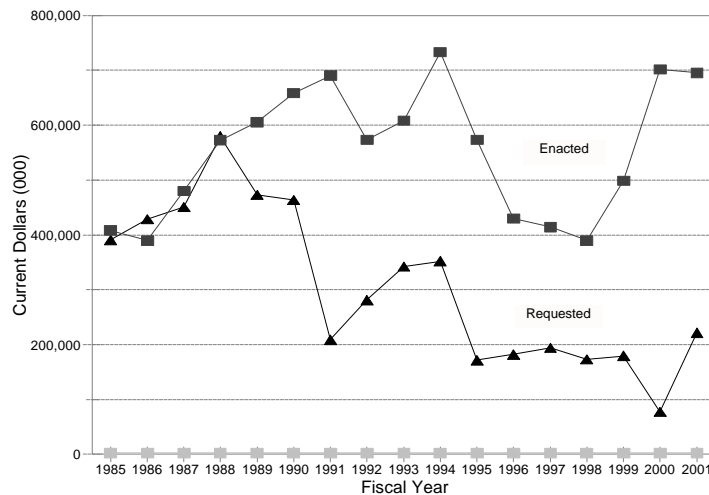
**Regular Component Funding**  
FY1985-2001



Source: Department of Defense, *Financial Summary Tables* successive years

**Figure 2**

**Guard and Reserve Funding**  
FY1985-2001



Source: Department of Defense, *Financial Summary Tables* successive years

**Environmental Remediation on Closed Military Bases.** The continuing costs associated with the four completed BRAC rounds, funded through the military construction appropriation, are now reduced to covering environmental and other

caretaker efforts. Funding requested and appropriated for BRAC fell sharply from a high of \$3,898 million for FY1996 to a low of \$664 million for FY2000 as closure and realignment wound down.<sup>4</sup> The cost of environmental remediation contributed to a \$1,024 million FY2001 BRAC appropriation, of which \$865 million was dedicated to base environmental cleanup.

Members of the Senate Appropriations and Armed Services Committees, in hearings held a few days after the submission of the President's amended FY2002 budget request, noted that Department of Defense had requested only \$532 million in BRAC funds at a time when the Navy and Air Force had announced a combined shortfall of between \$140 million and \$150 million in immediate BRAC cleanup needs.<sup>5</sup> DOD witnesses responded by indicating that the request would be sufficient for upcoming requirements, explaining that the shortfall estimates had been based on a set of assumptions that were no longer thought to be accurate.

The upturn in expenditures had come about through recent legal requirements and agreements between the services and local communities. DOD expected the insufficiency to be satisfied through transfers of unused funds from other accounts and by adjustments in the end-use of some property that would significantly reduce the cost of needed remediation. The passed bill added more than \$100 million in BRAC funds to the request, primarily for remediation of the environmental impact of the 1995 round of base realignments and closures.

**The Efficient Facilities Initiative (EFI).** The Efficient Facilities Initiative (EFI) was announced by the Department of Defense on August 2, and the Department's General Counsel submitted proposed legislation to Congress on August 3. The EFI includes three major actions: the potential realignment and closure of U.S. military installations overseas; the potential realignment and closure of installations within the United States; and the permanent authorization of the Brooks Air Force Base Development Demonstration Project, expanded to include all military services.

In support of the first action, the Secretary of Defense has instructed the Chairman of the Joint Chiefs of Staff to undertake a thorough assessment of all overseas military installations based on the results of the upcoming Quadrennial Defense Review (QDR). His recommendations on the retention, realignment or closing of bases are due to the Secretary six months after the completion of the QDR.

In support of the second action, the Secretary will likewise use the results of the QDR to generate a list of recommended actions regarding the future of military installations within the United States and its territories. The proposed legislation suggests the establishment of a review commission and a process for endorsing the

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<sup>4</sup> Current dollars. Taken from Department of Defense *Financial Summary Tables*, successive years.

<sup>5</sup> Senate Appropriations Committee Subcommittee on Military Construction hearing, July 30, 2001, and Senate Armed Services Committee Subcommittee on Readiness and Management Support hearing, August 2, 2001.

Secretary's recommendations for submission to the President and Congress. Both of these differ somewhat from the BRAC process of the 1990s.<sup>6</sup>

For an understanding of the third action, one must look to recent activity at Brooks Air Force Base, Texas. The Brooks Air Force Base Development Demonstration Project (also known as the "Base Efficiency Project," or the "Brooks City-Base Project") is a partnership between the Secretary of the Air Force and the City of San Antonio, Texas, and represents an alternative to traditional base closings or realignments. Congress has authorized the Secretary to "convert any military or civil service appropriated or non-appropriated fund activity at Brooks Air Force Base, Texas, into a contracted activity or an exchange of services compensated for by the lease, sale, conveyance, or transfer of real or private property."<sup>7</sup> This has empowered the Secretary to convey, in exchange for appropriate compensation, the whole of Federal real property at Brooks to the city and to lease back for military use those parts which directly support the base's military mission.<sup>8</sup> The cost of maintaining and operating the facility's physical plant, including fire and police protection, upkeep, and the like, is effectively transferred along with ownership from the Department of Defense to the local community. Funds generated from the lease or sale of property, reimbursements, and so on, is placed in a special Project Fund, which the Secretary of the Air Force may employ for operations, leaseback, maintenance and repair of Department facilities, and other uses at Brooks.<sup>9</sup>

EFI proponents have maintained that conducting a single definitive round of base closures and realignments could relieve communities of uncertainty about their future. Proponents further contend that a review commission with restricted ability to change the Secretary of Defense's recommendations might reduce the potential for politics to influence its outcome; and that joining the military departments with local and state governments and private enterprise could significantly reduce the need for military construction and defense appropriations. Critics, though, have suggested that the selection of the commission's members and the method used for creating the list of recommendations may actually repoliticize the BRAC process, and have asserted that benefits to the defense budget accrued to date from the Brooks project are hypothetical.

**Real Property Costs, the Broader Picture.** With military construction comes maintenance. Plant maintenance, adequately funded and conscientiously carried out, prevents deterioration and reduces the need for replacement. As a facility ages, though, it tends to demand greater effort and expense to maintain it in usable

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<sup>6</sup> For an explanation of the BRAC history, process, and current status, see CRS Report RL30051, *Military Base Closures: Time for Another Round?*, and CRS Report RL30440, *Military Base Closures: Where Do We Stand?*, by David E. Lockwood.

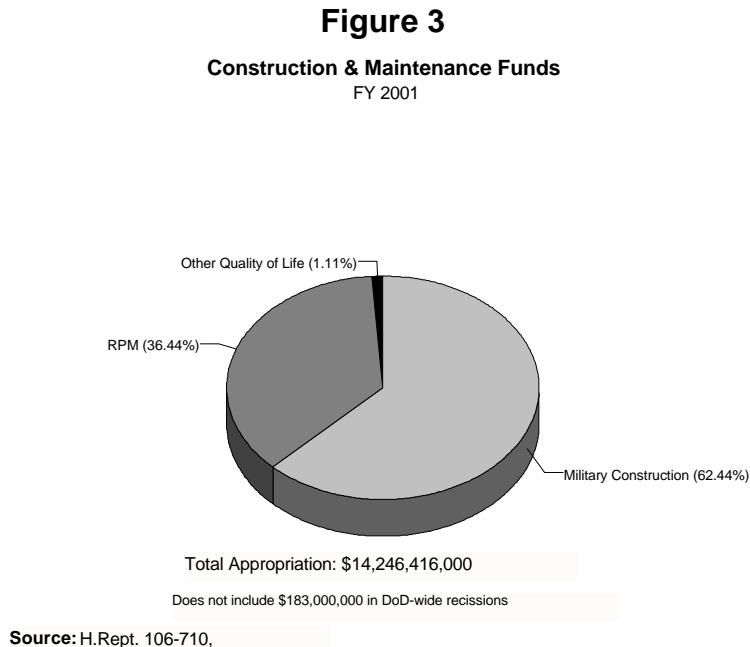
<sup>7</sup> Defense Appropriation Act for FY2000 (P.L. 106-79) and Military Construction Appropriations Act for FY2001 (P.L. 106-246).

<sup>8</sup> This is often referred to as "sell and lease back."

<sup>9</sup> Brooks AFB is primarily devoted to medical research related to flight. More information on Brooks, the 311<sup>th</sup> Human Systems Wing, and the Brooks City-Base Projects may be found at [[https://libra.brooks.af.mil/brooks/baseinfo\\_in.html](https://libra.brooks.af.mil/brooks/baseinfo_in.html)] (sic).

condition. Inadequate maintenance accelerates facility deterioration, requiring early demolition and replacement. Construction and maintenance, therefore, are closely related, and the effort expended on one will have a direct effect on the other.

Much of the funding for “real property maintenance” (RPM) is contained within the Operations and Maintenance function of the Defense budget, which falls within the jurisdiction of the Defense Subcommittees of the Appropriations Committees.<sup>10</sup> **Figure 3** gives a graphic representation of the relative sizes of the Military Construction and RPM appropriations for FY2001.



RPM funding includes not only repairs and maintenance for existing structures, but also “minor construction” (projects whose costs do not exceed \$500,000). The FY2001 Defense budget request included \$5,325.6 million for real property maintenance and repair and \$251.1 million for minor construction. Even that total does not capture the full cost incurred in maintaining DOD real property. To gain a more complete picture, one should add items not easily broken out from the general budget submission, such as the pay and benefits of military personnel assigned to RPM activities (installation maintenance, for example), projects financed through DOD Working Capital Funds, and construction supported through DOD Research, Development, Test and Evaluation (RDT&E) appropriations.<sup>11</sup> Therefore, the final cost to the Department of Defense of building, maintaining, and operating its holdings in real property is extremely difficult to capture in its entirety.

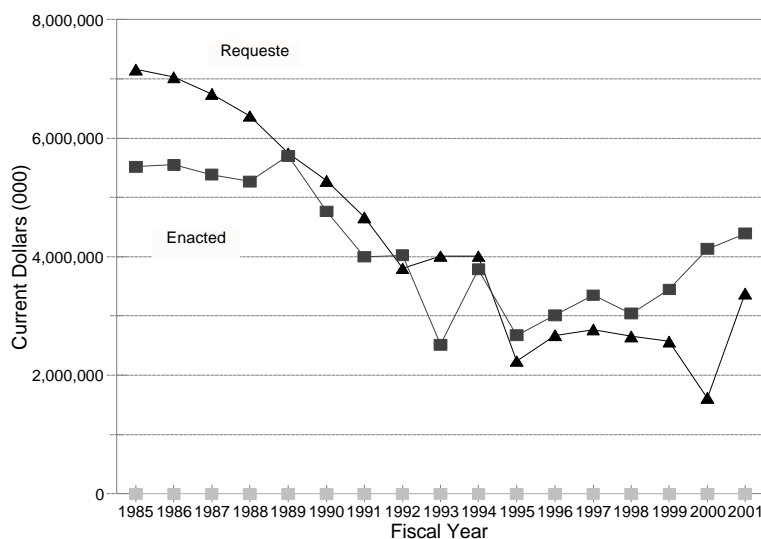
<sup>10</sup> “Real Property Maintenance” (RPM) is being replaced as a term of art with “Sustainment, Restoration, and Modernization” (SRM) in appropriations-related documents.

<sup>11</sup> A broader discussion of the defense budget can be found in CRS Report RL30002, *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

**Conflicting Priorities and Construction Funding.** Overall Administration proposals for military construction funding have fallen in nearly every year since the mid-1980s. Nevertheless, until the mid-1990s, Congress consistently granted significantly less budget authority to the Department of Defense than had been requested by the Administration (see **Figure 4**).

**Figure 4**

**Total Military Construction Funding**  
FY1985-2001



**Note:** Does not include BRAC or Family Housing funding

**Source:** Department of Defense, *Financial Summary Tables*, successive years

This pattern of partial funding reversed with the FY1995 budget. The Administration's FY1994 Military Construction budget request was \$4,007 million, while Congress authorized \$3,787.9 million.<sup>12</sup> The FY1995 request fell to \$2,240.2 million, to which Congress added \$431.9 million.<sup>13</sup> Every year since then, Congress has added significant amounts to the Administration requests, countering what Members have termed "inadequate" funding for military construction.

Three related explanations have been given for recent congressional actions. First, some Members of the military construction subcommittees have argued that military construction has been chronically underfunded. This viewpoint was reiterated in hearings on the FY2001 and 2002 budgets and the reports from the House

<sup>12</sup> These and subsequent quotations for military construction exclude appropriations for Base Realignment and Closure (BRAC), because this is a temporary category where funds requested and enacted have matched each other closely, and Family Housing, as this is a separate budget account. Tables where these have been included are so marked.

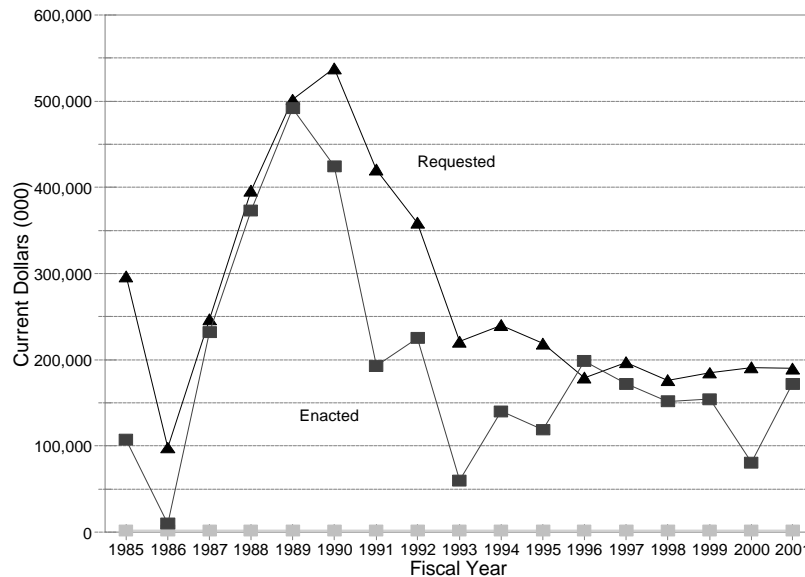
<sup>13</sup> This includes military construction requests for regular and reserve components of the Army, Navy, and Air Force, the Army and Air National Guard, and Department of Defense-wide projects.

Appropriations Committee and the defense authorizing committees on bills for FY1998-2000.

Second, Congress often has different priorities than the Administration, as reflected in frequent congressional cuts to overseas construction requests and contributions to the NATO Security Investment Program and its predecessor, the NATO Infrastructure Program (see **Figure 5**).<sup>14</sup>

**Figure 5**

**NATO Infrastructure / NSIP**  
FY1985-2001



Source: Department of Defense, *Financial Summary Tables*, successive years

Third, although Congress has found the President's overall requests for military construction insufficient, Members have deemed DOD treatment of the Army and Air National Guard and the federal reserves particularly so.<sup>15</sup> Until the late 1980s, the amount of military construction funds appropriated by Congress for the Guard and Reserve rose steadily, closely matching the amounts requested by DOD. For FY1989, though, the Administration requested \$472.9 million in military construction for the Guard and Reserve, a decrease of \$106.4 million from the previous year. Congress responded by appropriating \$605.1 million. Senator Bond commented during floor

<sup>14</sup> The NATO Security Investment Program is a common fund to which all NATO members contribute for the construction of facilities and the procurement of equipment essential to the wartime support of operational forces in the common defense of the NATO area. Facilities covered include airfields, naval bases, signal and telecom installations, pipelines, war headquarters, and early warning radar and missile installations.

<sup>15</sup> The Army, Navy, Air Force, and Marine Corps Reserves are permanently under the control of their respective services and the Department of Defense. The Army and Air National Guards are state-controlled organizations until such time as they are called into federal service.

debate on FY1996 military construction appropriations that Members believed that the Pentagon artificially lowered the amount of budget authority requested, counting on Congress to add money to Guard and Reserve programs. Since FY1989, Congress has consistently appropriated more than the Administration request, and the gap between request and enactment has grown considerably. (See **Figure 1** and **Table 5**.)

## Major Funding Trends

Requested military construction funds declined steadily from a high of \$7.2 billion for FY1985 to a low of \$1.6 billion for FY2000. Enacted funding similarly declined, though at a slower rate, from a level of \$5.5 billion to a low of \$2.7 billion for FY1995. Since then, though, enactments have risen steadily, reflecting the divergence from presidential requests, reaching \$5.4 billion for FY2001, well above the Administration request of \$4.6 billion. The amended Administration request for FY2002 of \$5.4 billion was increased by Congress to \$5.9 billion.<sup>16</sup>

**Table 2** shows overall military construction program funding since FY1998. **Table 3** breaks down the FY2002 request by appropriations account and compares it to FY2000 and FY2001 levels. **Table 4** shows congressional action on military construction appropriations by account. **Table 5** compares Administration military construction requests and enactments for Guard and Reserve projects from FY1985-2002.

## Legislation

### Emergency Supplemental Appropriations

**P.L. 107-38, H.R. 2888.** Making emergency supplemental appropriations for fiscal year 2001 for additional disaster assistance, for anti-terrorism initiatives, and for assistance in the recovery from the tragedy that occurred on September 11, 2001, and for other purposes. Mr. Young introduced an original bill on September 14, 2001, which was referred to the Committees on Appropriations and Budget and reported to the floor on the same day. Passed House 422-0 (Roll No. 341, text: CR H5619-5631). The bill was received in the Senate and passed without amendment by Unanimous Consent (text: CR S9430). Presented to the President on September 14, 2001, and signed into law on September 18, 2001. The Act provides \$40 billion in an emergency response fund.

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<sup>16</sup> These figures do not include BRAC or Family Housing funds. BRAC funding began with \$0.5 billion for FY1990 and peaked at \$3.9 billion for FY1996. The enactment for FY2000 was \$0.6 billion. Family Housing funding, listed separately from Military Construction but often included in overall totals of military construction funding, stood at \$2.9 billion for FY1985 and peaked at \$4.3 billion for FY1995. Congress enacted \$3.4 billion for family housing for FY2001.



## Military Construction Appropriations

**P.L. 107-64.** Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes. The Senate appointed conferees on September 26, 2001 (CR S9833). On October 2, 2001, the House appointed conferees and instructed the managers on the part of the House to insist on the House position regarding all items included in the House-passed bill for overseas military construction CR H6099, H6101-6102). The motion to instruct passed 417-1 (Roll No. 362). The conference committee filed its report (H.Rept. 107-246) on October 16, 2001. The House agreed to the conference report on October 17, 2001 (CR H7110-7111) 409-1 (Roll no. 394). The Senate considered the conference report (CR S10807-10810) on October 18, 2001, and agreed 96-1 (Record Vote No. 305). The bill was presented to the President on October 25, 2001, and signed into law on November 5, 2001.

**H.R. 2904 (Hobson).** Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes. The House Committee on Appropriations reported an original measure, H.Rept. 107-207, on September 21, 2001. Passed House 401-0 (Roll No. 344, text: CR H5868-5875) on September 21, 2001.

**S. 1460 (Fenstein).** Making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes. The Senate Committee on Appropriations reported an original measure, S.Rept. 107-68, on September 25, 2001. Passed Senate 97-0 (Record Vote No. 288, text: CR S9828-9833) on September 26, 2001. The text of S. 1460 was inserted in H.R. 2904 as an amendment in the form of a substitution and submitted to the conference committee.

## Defense Authorization

**P.L. 107-107, S. 1438.** An original bill to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes. Introduced in the Senate on September 19, 2001, and was laid before the Senate on September 21, 2001 (CR S9565-9580). A cloture motion was presented on September 26, 2001 (CR 9937), cloture was invoked 100-0 (CR S10027-10055, Record Vote No. 289), and the bill passed with amendments 99-0 (Record Vote No. 290) on October 2, 2001.

The message on Senate action was forwarded to the House on October 4, 2001. It was received there on the same day and held at the desk until October 17, 2001, when the text of H.R. 2586 was inserted after the enabling clause. The House insisted on its amendment and requested a conference by voice vote (CR H7096). The House appointed conferees and instructed them to agree to the provisions contained in Section 652 of the Senate bill, relating to Survivor Benefit Plan eligibility of survivors

of retirement-ineligible members of the uniformed services who die on active duty (CR 7096-7097). The House passed a motion to close portions of the conference 420-0 (CR H7098, Roll No. 391) and sent a message on its action to the Senate. The Senate disagreed to the House amendment, agreed to the request for a conference, and appointed conferees on October 17, 2001.

Conferences were held on October 31 and November 1, 2001. On December 11, the conferees agreed to file a conference report. The conference report was filed on December 12, 2001 (H.Rept. 107-333, text at CR H9333-9751). The House considered the conference report on December 13, 2001 (CR H10073-10080), and it was agreed to 96-2 (Roll No. 496). The Senate agreed to the conference report 96-2 on the same day (CR S13113, S13118-13138, Record Vote No. 369).

The bill was presented to the President on December 20, 2001, and was signed on December 28, 2001.

**H.R. 2586 (Stump).** To authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 2002, and for other purposes. Reported (amended) by the Committee on Armed Services (H.Rept. 107-194), September 4, 2001. Considered by the House, with the Committee of the Whole House on the State of the Union rising leaving H.R. 2586 as unfinished business. The House inserted the provisions of H.R. 2586 into S. 1438 on October 17, 2001.

**Table 2. Military Construction Appropriations, FY1998-2002**  
(new budget authority in millions of dollars)

	<b>Actual FY1998</b>	<b>Actual FY1999</b>	<b>Estimate FY2000</b>	<b>Request FY2001</b>	<b>Enacted FY2001</b>	<b>Request FY2002</b>	<b>Passed HR2904</b>
Military Construction	5,466	5,405	4,793	4,549	5,411	5,905	6,510
Family Housing	3,828	3,592	3,597	3,485	3,422	4,066	4,050
<b>Total</b>	<b>9,849</b>	<b>8,997</b>	<b>8,390</b>	<b>8,034</b>	<b>8,833</b>	<b>9,971</b>	<b>10,560</b>

**Source:** Actual FY1996-1999 data, Estimate FY2000 and Request 2001 from Department of Defense (DOD), *Financial Summary Tables*, February 2000 and previous years' reports. Enacted FY2001 data from H.Rept. 106-710. Requested FY2002 data from DOD FY2002 Amended Budget Request. Passed H.R. 2904 data from H.Rept. 107-246 does not reflect the \$60 million Sec. 132 general rescission.

**Table 3. Military Construction Appropriations by Account:  
FY2001-2002**

(new budget authority in thousands of dollars)

<b>Account</b>	<b>FY2001 Enacted</b>	<b>FY2002 Request</b>	<b>FY2002 H.R. 2904</b>
MilCon, Army	934,184	1,760,541	1,721,812
MilCon, Navy	926,224	1,071,408	1,111,736
MilCon, Air Force	880,268	1,068,250	1,177,412
MilCon, Defense-wide	812,839	694,558	761,804
MilCon, Army National Guard	285,587	267,389	400,994
MilCon, Air National Guard	203,381	149,072	250,530
MilCon, Army Reserve	108,499	111,404	165,136
MilCon, Navy Reserve	61,931	33,641	51,676
MilCon, Air Force Reserve	36,510	53,732	74,013
BRAC Acct., Total	1,022,115	532,200	632,713
NATO Security Investment Program	171,622	162,600	162,600
Foreign Curr. Fluct., Constr., Def.	(83,000)	–	–
<b>Total: Military Construction</b>	<b>5,360,160</b>	<b>5,904,795</b>	<b>6,510,426</b>
Family Housing Const., Army	235,437	291,542	309,217
Family Housing Operation & Maint., Army	949,655	1,108,991	1,077,292
Family Housing Const., Navy & Marine Corps	417,235	304,400	328,040
Family Housing Operation & Maint., Navy & Marine Corps	879,625	918,095	899,837
Family Housing Const., AF	251,413	518,237	544,496
Family Housing Operation & Maint., AF	819,061	869,121	835,194
Family Housing Const., Def-wide	–	250	247
Family Housing Operation & Maint., Def-wide	44,787	43,762	43,269
Homeowners Assist. Fund, Def.	–	10,119	10,005
DOD Family Housing Improvement Fund	–	2,000	1,977
<b>Total: Family Housing</b>	<b>3,597,213</b>	<b>4,066,517</b>	<b>4,049,574</b>
Sec. 130 General Recission	–	–	60,000
<b>GRAND TOTAL</b>	<b>8,957,373</b>	<b>9,971,312</b>	<b>10,500,000</b>

**Source:** Data for FY2001-FY2002 from Amended FY2002 Budget Request. Data for H.R. 2904 from H.Rept. 107-246, as amended by Sec. 130 and 132 of the bill.

**Table 4. Military Construction FY2002 Appropriations by Account - Congressional Action**  
(in thousands of dollars)

<b>Account</b>	<b>FY2002 Request</b>	<b>House Bill</b>	<b>Senate Bill</b>	<b>Conf. Report</b>
MilCon, Army	1,760,541	1,702,934	1,642,557	1,721,812
MilCon, Navy	1,071,408	1,134,660	1,129,045	1,111,736
MilCon, Air Force	1,068,250	1,185,220	1,144,269	1,177,412
MilCon, Defense-wide	694,558	852,808	811,778	761,804
MilCon, Army National Guard	267,389	313,348	378,549	400,994
MilCon, Air National Guard	149,072	198,803	222,767	250,530
MilCon, Army Reserve	111,404	167,769	111,404	165,136
MilCon, Navy Reserve	33,641	61,426	32,716	51,676
MilCon, Air Force Reserve	53,732	81,882	53,732	74,013
BRAC Acct.	532,200	552,713	682,200	632,713
NATO Security Investment Program	162,600	162,600	162,600	162,600
<b>Total: Military Construction</b>	<b>5,904,795</b>	<b>6,414,163</b>	<b>6,371,617</b>	<b>6,510,426</b>
Family Housing Const., Army	291,542	294,042	312,742	309,217
Family Housing O&M, Army	1,108,991	1,096,431	1,108,991	1,077,292
Family Housing Const., Navy and Marine Corps	304,400	334,780	312,600	328,040
Family Housing O&M, Navy and Marine Corps	918,095	910,095	918,095	899,837
Family Housing Const., Air Force	518,237	536,237	550,703	544,496
Family Housing O&M, Air Force	869,121	858,121	869,121	835,194
Family Housing Const, Defense-wide	250	250	250	247
Family Housing O&M, Defense-wide	43,762	43,762	43,762	43,269
Homeowners Assist. Fund, Def.	10,119	10,119	10,119	10,005
DOD Family Housing Improvement Fund	2,000	2,000	2,000	1,977
<b>Total: Family Housing</b>	<b>4,066,517</b>	<b>4,085,837</b>	<b>4,128,383</b>	<b>4,049,574</b>
Sec. 130 General Recission	—	—	—	60,000
<b>GRAND TOTAL</b>	<b>9,971,312</b>	<b>10,500,000</b>	<b>10,500,000</b>	<b>10,500,000</b>

Source: H.Rept. 107-207, S.Rept. 107-68, H.Rept. 107-246.

**Table 5. Congressional Additions to Annual DOD Budget Requests for National Guard and Reserve Military Construction, FY1985-2002**

(current year dollars in thousands)

<b>Fiscal Year</b>	<b>Army National Guard</b>	<b>Air National Guard</b>	<b>Army Reserve</b>	<b>Naval Reserve</b>	<b>Air Force Reserve</b>	<b>Total</b>	<b>Total Change from Request</b>
1985 Req.	88,900	102,900	70,400	60,800	67,800	390,800	–
1985 Enacted	98,603	111,200	69,306	60,800	67,800	407,709	+16,909
1986 Req.	102,100	137,200	70,700	51,800	66,800	428,600	–
1986 Enacted	102,205	121,250	61,346	41,800	63,030	389,631	-38,969
1987 Req.	121,100	140,000	86,700	44,500	58,900	451,200	–
1987 Enacted	140,879	148,925	86,700	44,500	58,900	479,904	+28,704
1988 Req.	170,400	160,800	95,100	73,737	79,300	579,337	–
1988 Enacted	184,405	151,291	95,100	73,737	79,300	583,833	+4,496
1989 Req.	138,300	147,500	79,900	48,400	58,800	472,900	–
1989 Enacted	229,158	158,508	85,958	60,900	70,600	605,124	+132,224
1990 Req.	125,000	164,600	76,900	50,900	46,200	463,600	–
1990 Enacted	223,490	235,867	96,124	56,600	46,200	658,281	+194,681
1991 Req.	66,678	66,500	59,300	50,200	37,700	280,378	–
1991 Enacted	313,224	180,560	77,426	80,307	38,600	690,117	+409,739
1992 Req.	50,400	131,800	57,500	20,900	20,800	281,400	–
1992 Enacted	231,117	217,556	110,389	59,900	9,700	628,672	+347,272
1993 Req.	46,700	173,270	31,500	37,772	52,880	342,122	–
1993 Enacted	214,989	305,759	42,150	15,400	29,900	608,198	+266,076
1994 Req.	50,865	142,353	82,233	20,591	55,727	351,769	–
1994 Enacted	302,719	247,491	102,040	25,029	74,486	751,765	+399,996
1995 Req.	9,929	122,770	7,910	2,355	28,190	171,154	–
1995 Enacted	187,500	248,591	57,193	22,748	56,958	572,990	+401,836
1996 Req.	18,480	85,647	42,963	7,920	27,002	182,012	–

<b>Fiscal Year</b>	<b>Army National Guard</b>	<b>Air National Guard</b>	<b>Army Reserve</b>	<b>Naval Reserve</b>	<b>Air Force Reserve</b>	<b>Total</b>	<b>Total Change from Request</b>
1996 Enacted	137,110	171,272	72,728	19,055	36,482	436,647	+254,635
1997 Req.	7,600	75,394	48,459	10,983	51,655	194,091	–
1997 Enacted	78,086	189,855	55,543	37,579	52,805	413,868	+219,777
1998 Req.	45,098	60,225	39,112	13,921	14,530	172,886	–
1998 Enacted	102,499	190,444	55,453	26,659	15,030	390,085	+217,199
1999 Req.	47,675	34,761	71,287	15,271	10,535	179,529	–
1999 Enacted	144,903	185,701	102,119	31,621	34,371	498,715	+319,186
2000 Req.	57,402	73,300	77,626	14,953	27,320	250,601	–
2000 Enacted	236,228	262,360	110,764	28,310	64,071	701,733	+451,132
2001 Req.	59,130	50,179	81,713	16,103	14,851	221,976	–
2001 Enacted	285,587	203,381	108,499	61,931	36,510	695,908	+473,932
2002 Req.	267,389	149,072	111,404	33,641	53,732	615,238	–
2002 Enacted	400,994	250,530	165,136	51,676	74,013	942,349	+327,112

**Source:** Department of Defense, *Financial Summary Tables*, successive years.

## **For Additional Information**

### **CRS Products**

CRS Report RL31005. *Appropriations and Authorization for FY2002: Defense*, by Amy Belasco, Mary Tyszkiewicz, and Stephen Daggett.

CRS Issue Brief IB96022. *Defense Acquisition Reform: Status and Current Issues*, by Valerie Bailey Grasso.

CRS Report RL30002. *A Defense Budget Primer*, by Mary T. Tyszkiewicz and Stephen Daggett.

CRS Report RL30447. *Defense Budget for FY2001: Data Summary*, by Stephen Daggett and Mary T. Tyszkiewicz.

CRS Report RL30995. *Supplemental Appropriations for FY2001: Defense Readiness and Other Programs* by Stephen Daggett

### **Selected World Wide Web Sites**

#### **Legislative Branch Sites**

House Committee on Appropriations  
[<http://www.house.gov/appropriations>]

Senate Committee on Appropriations  
[<http://www.senate.gov/~appropriations/>]

CRS Appropriations Products Guide  
[<http://www.loc.gov/crs/products/apppage.html#la>]

Congressional Budget Office  
[<http://www.cbo.gov>]

General Accounting Office  
[<http://www.gao.gov>]

#### **U.S. Department of Defense Sites**

U.S. Department of Defense, Office of the Under Secretary of Defense (Comptroller), FY2001 Budget Materials  
[<http://www.dtic.mil/comptroller/fy2001budget/>]

U.S. Department of Defense, Installations Home Page  
[<http://www.acq.osd.mil/installation>]



**White House Sites**

Executive Office of the President, Office of Management and Budget, FY2002  
Budget Materials

[<http://www.whitehouse.gov/omb/budget/index.html>]

Office of Management & Budget

[<http://www.whitehouse.gov/OMB/>]