

FY2016 – FY2017 Budget Outlook

Galveston District Dredging Meeting

Raymond Russo, P.E.
Chief, Civil Works Integration Division
Southwestern Division

3 December 2015



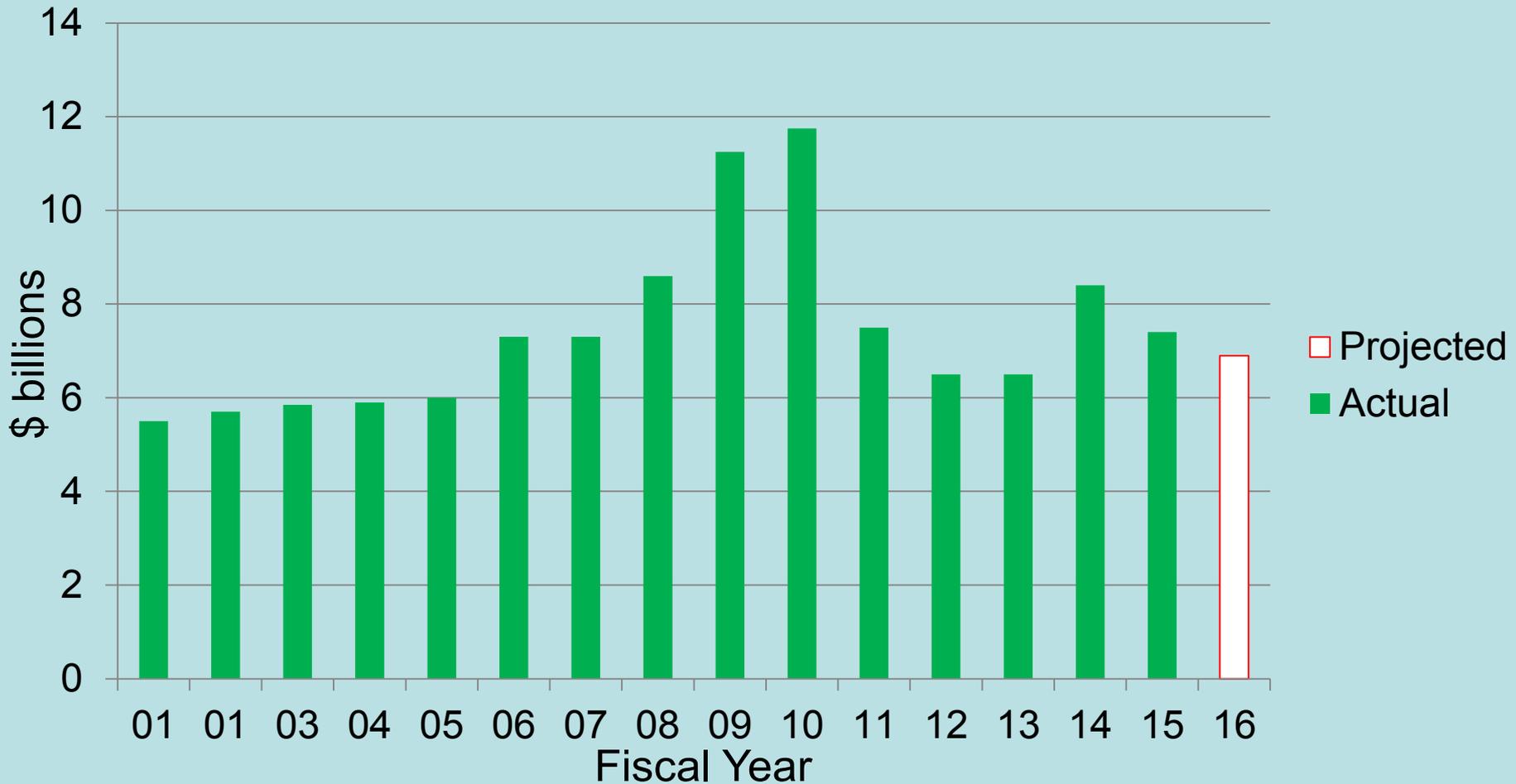
US Army Corps of Engineers
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Southwestern Division Footprint



Historical & Projected Obligations

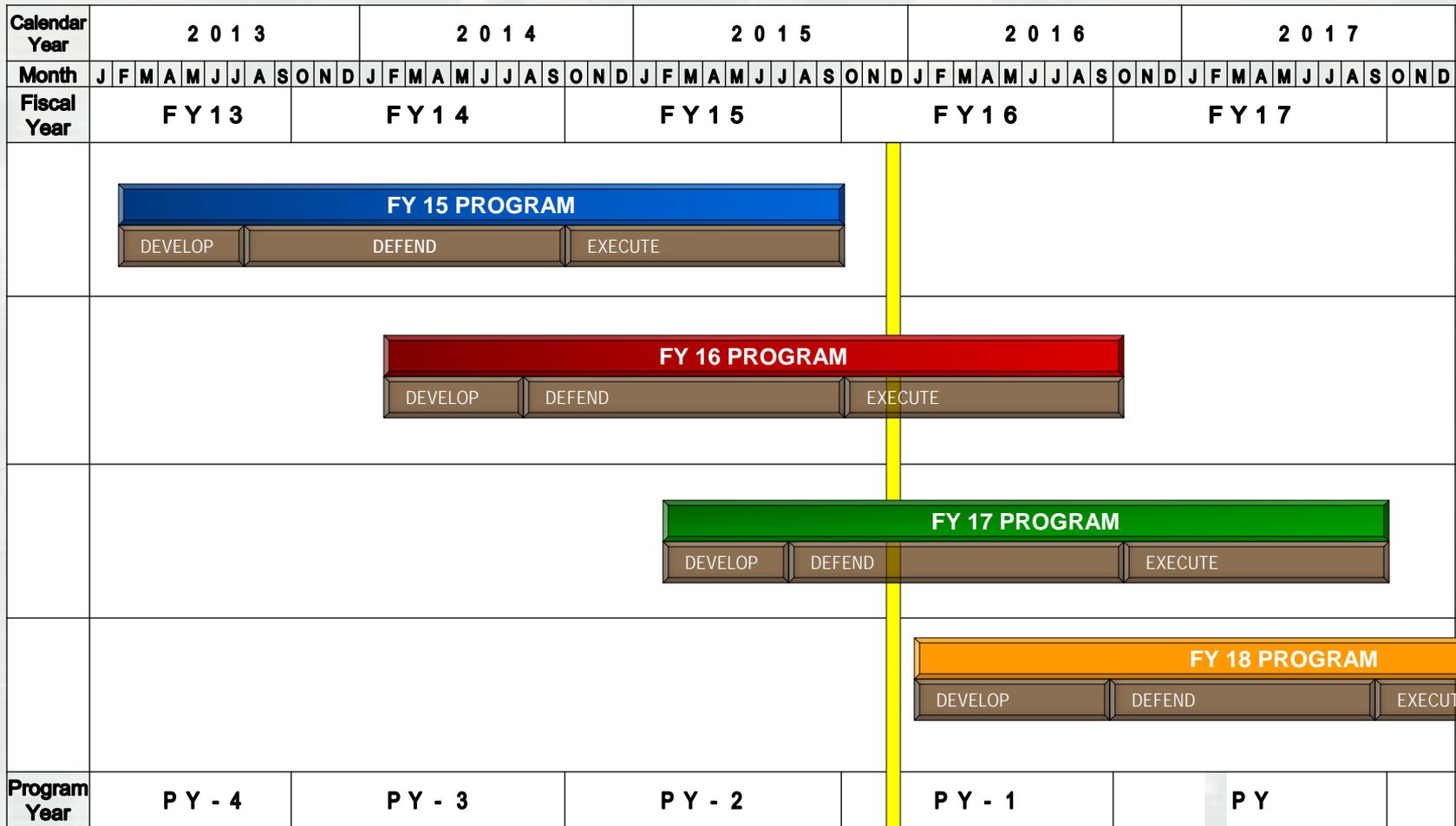


Note: ~\$25 billion in 10 Supplemental Appropriations from FY05-13



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CW Program/Budget Timeline



PY = CFY + 2

NOW



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The Energy and Water Development House Appropriations Bill, 2016

HR 114-91 provides \$5,596,750,000 for the Civil Works program of the U.S. Army Corps of Engineers, \$142,250,000 above fiscal year 2015 and \$864,750,000 above the budget request (\$4,732,000,000).

- Specified funding: \$4,866 million
- “Funding Pots”: \$ 730 million

Funding Pot By Business Program

- Navigation: \$486 million
- Flood Risk Management: \$182 million
- Other Authorized Project Purposes: \$ 62 million

Funding Pot By Account

- Investigations: \$ 13 million
- Construction: \$314 million
- MR&T: \$ 50 million
- O&M: \$353 million



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The Energy and Water Development Senate Appropriations Bill, 2016

SR 114-54 provides \$5,449,500,000 for the Civil Works program of the U.S. Army Corps of Engineers, \$45,000,000 below fiscal year 2015 and \$767,500,000 above the budget request (\$4,732,000,000).

- Specified funding: \$4,692 million
- “Funding Pots”:
\$ 886 million

Funding Pot By Business Program

- Navigation: \$535 million
- Flood Risk Management: \$172 million
- Other Authorized Project Purposes: \$179 million

Funding Pot By Account

- Investigations: \$ 12 million
- Construction: \$453 million
- MR&T: \$105 million
- O&M: \$316 million



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FY 2015 Carryover by MSC

\$ in thousands

MSC	AVAIL	FY15 ACT OBL YTD	FY15 UNOBL BAL (Carry Over)	ACT to AVAIL
LRD	1,269,610	1,134,409	135,201	89%
MVD	1,164,838	1,057,529	107,308	91%
NAD	766,644	541,210	225,434	71%
NWD	776,959	696,943	80,017	90%
POD	120,742	75,421	45,321	62%
SAD	848,865	732,000	116,865	86%
SPD	588,081	477,623	110,458	81%
SWD	736,104	594,730	141,375	81%
ERDC	76,392	70,526	5,866	92%
IWR	152,644	146,623	6,022	96%
HQ/UFC	267,031	118,619	148,412	44%
ALL EROCS	6,767,911	5,645,633	1,122,278	83%



FY2016 Work Plan

- Schedule:
 - ▶ Initiate Update of Capabilities 20 Oct
 - ▶ Complete Capability Update 30 Nov
 - ▶ HQ BLMs Rank Additional WP 23 Dec
 - ▶ Final HQ Recommendations 5 Jan
 - ▶ OMB Approval 45 days after enactment

- Specifics
 - ▶ New starts subject to final Omnibus Bill
 - ▶ PED/Construction –
 - must have updated economics
 - BCR @ 7% > 2.5
 - ▶ Feasibility – must be SNART PLNG compliant



Challenges and Opportunities

- **Infrastructure Investment = Global Challenge**
- Corps Civil Works Portfolio: 3,000 + Operational Projects, with Replacement Value of Approx \$268B
- Civil Works Asset Classes are Diverse
 - Flood & Coastal Storm Damage
 - Coastal and Inland Harbors
 - Inland Waterways
 - Hydropower
 - Dam & Levee Safety Programs
 - Water Storage
 - Aquatic Ecosystems
 - Water-Based Recreation
- **Demands for CW Infrastructure Maintenance, Operations, and Capital Investment are Expanding**
 - Civil Works New Construction Backlog - \$60B
 - ASCE: Dams, Levees, IWW = “D” - \$140B
- **CW Infrastructure Systems Aging, Experiencing Negative Performance Trends Across Portfolio (Serviced by ~\$4.6B Annual Budget Nationally....)**



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Initiatives & Program Discussion

“What are we doing differently?”

- Life Cycle Cost Management
- Asset Management
- Deauthorizations
- Alternate Financing/Divestiture



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Stakeholders and Partnering

- Leverage Efforts
- CW Value to Nation
- Find consensus on Major Initiatives
 - Identify Funding to Reach Outcomes
 - Engage in Dialogue
- Be mutually supportive
- Shared Messages
- Involve & Engage End-Users
- Seek to Influence Decision-Makers



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