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Fact Sheet: Selected Highlights of the FY2017 Military Construction Appropriations Bills

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Summary

This fact sheet summarizes selected highlights of the military construction and military family housing portions of the FY2017 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act. The act is associated with three separate bill numbers: H.R. 4974, S. 2806, and H.R. 2577.

Congressional action on FY2017 military construction appropriations legislation has been heavily influenced by the statutorily mandated discretionary spending caps established by P.L. 114-74, the Bipartisan Budget Act of 2015 (BBA). A significant issue before Congress is the extent to which Congress and the President will agree on budgetary authority that (1) exceeds the established BBA limit, and (2) is exempt under 2 U.S.C. §901 from being counted toward that limit by virtue of categorization as Overseas Contingency Operations (OCO) funds. The 2015 BBA temporarily increased statutory funding limits on defense and non-defense appropriations for FY2016 and FY2017 above those established by the Budget Control Act (BCA) of 2011 (P.L. 112-25).

New budget authority (funding not previously appropriated) for military construction and military family housing totaled \$8,171.0 million for FY2016. For FY2017, the House authorized \$7,616.5 million, and the Senate authorized \$7,866.0 million. The conference committee recommended \$7,898.0 million.

The FY2017 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act originated in the House as H.R. 4974, introduced on April 15, 2016. A similar bill, S. 2806, was introduced in the Senate on April 18, 2016. On May 19, 2016, the Senate combined the versions of the Transportation, Housing and Urban Development (T-HUD), Military Construction and Veterans Affairs (MILCON/VA), and Zika Response and Preparedness appropriations bills into H.R. 2577 (a T-HUD appropriations bill for FY2016 that the House had passed in June, 2015), passed the amended bill, and sent it to the House. The House substituted its own amendment in three divisions (Division A: MILCON/VA, Division B: Zika Response Appropriations, and Division C: Zika Vector Control), removing the T-HUD portion for H.R. 2577, passed the bill, and requested a conference.

The conference met on June 15, 2016, and filed its report (H.Rept. 114-640) the next day. The conference bill contained four divisions: (1) Division A: MILCON/VA, (2) Division B: Zika Response and Preparedness Appropriations, (3) Division C: Zika Vector Control, and (4) Division D: Rescission of Funds (\$750.0 million from three sources). The House agreed to the report on June 23, 2016. Further action in the Senate is pending.

Contents

Introduction	1
Military Construction Appropriations for FY2017.....	2
The Legislative Path for Military Construction Appropriations.....	2
Military Construction Funding Trends.....	2
Additional Resources	4
Appropriations.....	4
Defense Appropriations.....	4
Veterans Issues	4
Zika-Related Issues	4
Transportation and Housing and Urban Development Appropriations.....	5

Figures

Figure 1. Military Construction and Family Housing New Budget Authority	3
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Tables

Table 1. Summary Military Construction Budget Authority for FY2016 – FY2017	1
Table 2. Status of FY2017 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act	2
Table A-1. Title I, Department of Defense Military Construction Budget Authority, FY2016-FY2017	6
Table A-2. Title IV, Overseas Contingency Construction Budget Authority, FY2016- FY2017.....	10

Appendixes

Appendix. Detailed Appropriations Tables.....	6
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Contacts

Author Contact Information	11
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Introduction

This fact sheet highlights selected provisions found in the military construction portions of proposed appropriations bills for FY2017. These include H.R. 4974, introduced to the House on April 15, 2016; S. 2806, introduced to the Senate on April 18; and H.R. 2577, originally introduced to the House on May 27, 2015, as the Transportation and Housing and Urban Development and Related Agencies (T-HUD) Appropriations Act for FY2016. As reported by the conference committee (H.Rept. 114-640), Division A of H.R. 2577 would be referred to as the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act (MILCON/VA), 2017.

This fact sheet addresses only those portions of the various bills that concern military construction. CRS products devoted to Department of Defense (DOD) and Veterans Affairs appropriations, the Zika virus, and T-HUD are listed in the “Additional Resources” section at the end of this report.

Table 1 condenses the more detailed budget authority presented in the **Appendix** tables.

Table 2 follows the status of MILCON/VA, 2017.

Table A-1 compiles the amounts of budget authority that would be provided by the various bills to the individual military construction appropriations accounts, adjustments made through the rescission of unobligated prior-year appropriations, and additions made to accommodate a portion of the Unfunded Priority Lists (UPL) for FY2016 and FY2017 submitted by the military departments’ secretaries at the request of Congress. These appropriations are incorporated into Title I of Division A of H.R. 2577.

Table A-2 outlines Overseas Contingency Operations military construction funding, grouped into Title IV of Division A of the bill.

This fact sheet is designed to offer Members and congressional staff the best available information pending publication of a more lengthy and permanent report on FY2017 military construction appropriations.

Table I. Summary of Military Construction Budget Authority for FY2016-FY2017

(thousands of dollars)

Account	FY2016 Enacted ^a	FY2017 Request	FY2017 House	FY2017 Senate ^a	FY2017 Conference
Title I, Military Construction and Family Housing					
Military Construction	6,515,205	5,741,035	5,621,104	5,911,373	5,724,205
NATO Security Investment Program	135,000	177,932	177,932	177,932	177,932
Family Housing	1,404,281	1,319,852	1,319,852	1,319,852	1,276,289
Base Realignment and Closure (BRAC)	266,334	205,237	230,237	205,237	240,237
Administrative Provisions ^b	-149,820	—	344,875	315,606	307,337
Total New Budget Authority, Title I, DOD^c	8,171,000	7,444,056	7,694,000	7,930,000	7,726,000
Title IV, Overseas Contingency Operations					
New Budget Authority, Title IV, OCO	—	172,449	172,000	—	172,000
Total New Budget Authority, Titles I and IV	8,171,000	7,616,505	7,866,000	7,930,000	7,898,000

Source: Adapted from H.Rept. 114-640.

a. OCO funding in these bills was not segregated in a Title IV.

- b. Rescissions, or the cancellation of previously appropriated funds, and additional unrequested funding are usually found within the Administrative Provisions of a military construction appropriations bill. For more information on rescissions, see CRS Report R43234, *Across-the-Board Rescissions in Appropriations Acts: Overview and Recent Practices*, by Jessica Tollestrup.
- c. New Budget Authority is the amount of funding to be added to the various appropriation accounts upon enactment of H.R. 2577.

Military Construction Appropriations for FY2017

The Legislative Path for Military Construction Appropriations

H.R. 2577 in its original form, the T-HUD appropriations bill for FY2016, was passed by the House on June 9, 2015. Its provisions were eventually incorporated into the Consolidated Appropriations Act for FY2016 (P.L. 114-113). The bill was reintroduced to the Senate in May 2016 with amendments that eventually encompassed what had been three separate appropriations bills. Division A of the amended bill would have provided FY2017 T-HUD appropriations. Division B would have provided FY2017 MILCON/VA appropriations. An additional Title V of the Senate-proposed act would fund the Department of Health and Human Services for Zika virus response and preparedness. The amended bill was passed by the Senate on May 19, 2016, and sent to the House.

Upon receipt of the amended bill, the House proposed an additional amendment. H.R. 2577, as engrossed by the House, would establish Division A as the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017; Division B as the Zika Response Appropriations Act, 2016; and Division C as the Zika Vector Control Act. The House passed the amended bill on May 26, 2016, and requested a conference.

The conference was held on June 15, 2016, and the conferees filed their report, H.Rept. 114-640, on June 22, 2016. The House agreed to the report on June 23, 2016, by the Yeas and Nays. The bill awaits Senate action.

Table 2. Status of FY2017 Military Construction, Veterans Affairs, and Related Agencies Appropriations Act
(H.R. 4974, S. 2806, H.R. 2577)

Committee Markup (H.R. 4974, S. 2806)		House Report H.R. 4974	House Passage H.R. 2577	Senate Report S. 2806	Senate Passage H.R. 2577	Conf. Report	Conference Report Approval		Public Law
House	Senate						House	Senate	
04/13/2016	04/14/2016	H.Rept. 114-497	05/26/2016	S.Rept. 114-237	05/19/2016	H.Rept. 114-640	06/23/16	—	—

Source: CRS Appropriations Status Table (<http://www.crs.gov/Pages/AppropriationsStatusTable.aspx>).

Note: H.R. 2577 was amended by the Senate by inserting the provisions of S. 2806 into the bill. The Senate amendment was subsequently amended by the House.

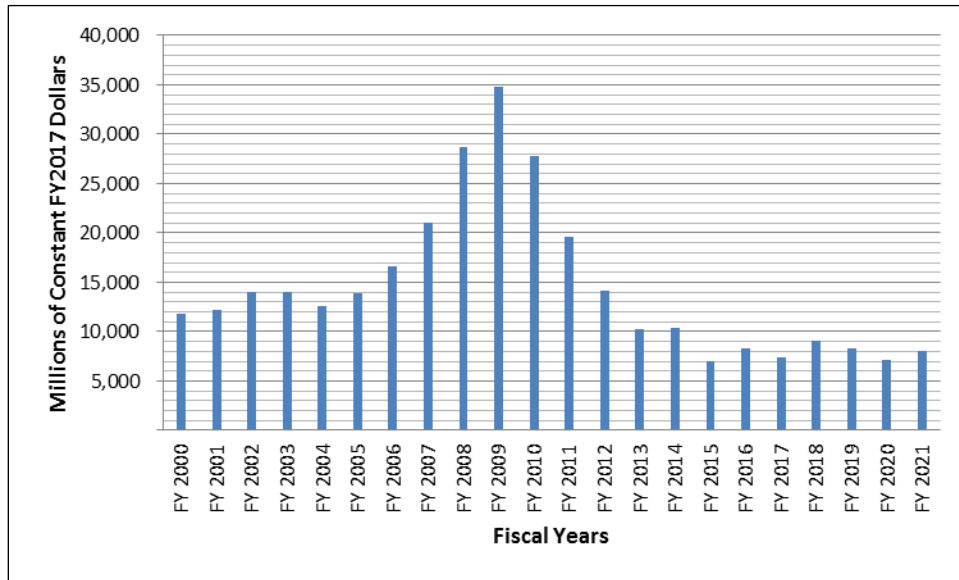
Military Construction Funding Trends

The President has requested new budget authority in the amounts of \$7.44 billion (base budget) and \$172.4 million (Overseas Contingency Operations, OCO) for a total of \$7.62 billion for military construction and military family housing for FY2017. This compares with \$7.72 billion

made available for FY2015 and \$8.54 billion enacted for FY2016. This continues a downward trend in military construction appropriations begun in FY2010, when construction activity associated with the 2005 Base Closure (BRAC) round began to subside.¹

The President has requested significantly less military construction funding for FY2017 than was the norm during the early years of the 2000s. **Figure 1** illustrates the amounts of new budget authority enacted FY2000-FY2016 and projected by DOD through FY2021.

Figure 1. Military Construction and Family Housing New Budget Authority (FY2000-FY2021)



Source: National Defense Budget Estimates for FY2017 (Green Book), Table 6-8.

Notes: FY2018-FY2021 represent Future Years Defense Plan (FYDP) projections. Figures include base budget and OCO funding.

The OCO portion of the request continues a shift in emphasis that has become apparent in recent years. OCO construction has shifted from the CENTCOM (Middle East and Southwest Asia) and AFRICOM (Africa, less Egypt) Areas of Responsibility (AOR) to EUCOM (Europe). OCO military construction through FY2011 was directed to the CENTCOM AOR in Southwest Asia. For example, in FY2011, \$1.22 billion in OCO construction was devoted to Afghanistan, Qatar, and Bahrain. This began to be redirected in FY2012, when \$269.7 million in OCO construction went to projects in Afghanistan, Bahrain, and Djibouti. The FY2013 OCO appropriation included \$355.6 million for construction in Djibouti, Bahrain, and Diego Garcia (a British Protectorate in the Indian Ocean), plus funds to construct the ballistic missile defense AEGIS Ashore complex in Romania. No construction funding was identified as OCO for FY2014, but the FY2015 appropriation included \$151.9 million that encompassed some OCO construction in Djibouti and Bahrain but devoted most of its emphasis to improving airfields in Romania, Bulgaria, Poland, and the Baltic states of Lithuania, Estonia, and Latvia. The FY2016 appropriation of \$428.9 million was devoted largely to an AEGIS Ashore Missile Defense Complex in Poland, with the remainder going to ship-related construction in Bahrain and airfield improvements in Oman, Niger, and Djibouti. Nearly two-thirds of the FY2017 request of \$172.4 million is designated as

¹ Some numbers may not appear to add precisely due to rounding.

part of the European Reassurance Initiative and is dedicated to airfield improvements in Estonia, Lithuania, Romania, Bulgaria, and Poland, plus additional facilities in Iceland and Germany to accommodate the Navy's P-8A *Poseidon* and the Air Force's F/A-22 *Raptor* aircraft. The remainder of the FY2017 request is intended for projects in Djibouti.

Additional Resources

Appropriations

CRS Report R44582, *Overview of Funding Mechanisms in the Federal Budget Process, and Selected Examples*, by Jessica Tollestrup

Defense Appropriations

CRS Report R44531, *FY2017 Defense Appropriations Fact Sheet: Selected Highlights of H.R. 5293 and S. 3000*, by Pat Towell and Lynn M. Williams.

CRS Report R44497, *Fact Sheet: Selected Highlights of the FY2017 National Defense Authorization Act (H.R. 4909, S. 2943)*, by Pat Towell and Lynn M. Williams.

CRS Report R44454, *Defense: FY2017 Budget Request, Authorization, and Appropriations*, by Pat Towell and Lynn M. Williams.

CRS Report R44519, *Overseas Contingency Operations Funding: Background and Status*, coordinated by Lynn M. Williams and Susan B. Epstein.

CRS Report R44039, *Defense Spending and the Budget Control Act Limits*, by Amy Belasco.

Veterans Issues

CRS Report R42747, *Health Care for Veterans: Answers to Frequently Asked Questions*, by Sidath Viranga Panangala.

CRS Report R43704, *Veterans Access, Choice, and Accountability Act of 2014 (H.R. 3230; P.L. 113-146)*, by Sidath Viranga Panangala et al.

CRS In Focus IF10396, *Caregiver Support to Veterans*, by Kirsten J. Colello.

CRS Report R43547, *Veterans' Medical Care: FY2015 Appropriations*, by Sidath Viranga Panangala.

CRS Report RL34024, *Veterans and Homelessness*, by Libby Perl.

Zika-Related Issues

CRS In Focus IF10401, *Genetically Engineered Mosquitoes: A Vector Control Technology for Reducing Zika Virus Transmission*, by Tadlock Cowan.

CRS Report R44545, *Zika Virus in Latin America and the Caribbean: U.S. Policy Considerations*, coordinated by Clare Ribando Seelke.

CRS Report R44460, *Zika Response Funding: Request and Congressional Action*, coordinated by Susan B. Epstein.

CRS Report R44549, *Supplemental Appropriations for Zika Response: The FY2016 Conference Agreement in Brief*, by Susan B. Epstein and Sarah A. Lister.

CRS Report R44385, *Zika Virus: CRS Experts*, by Sarah A. Lister.

CRS Report R44368, *Zika Virus: Basics About the Disease*, by Sarah A. Lister.

CRS In Focus IF10353, *Mosquitoes, Zika Virus, and Transmission Ecology*, by M. Lynne Corn, Tadlock Cowan, and Robert Esworthy.

CRS Insight IN10544, *Zika Poses New Challenges for Blood Centers*, by C. Stephen Redhead and Sarah A. Lister.

Transportation and Housing and Urban Development Appropriations

CRS Report R44500, *Transportation, Housing and Urban Development, and Related Agencies (THUD): FY2017 Appropriations*, by Maggie McCarty and David Randall Peterman.

CRS Report R44499, *Department of Transportation (DOT): FY2017 Appropriations*, by David Randall Peterman.

CRS Report R44495, *Department of Housing and Urban Development (HUD): FY2017 Appropriations*, coordinated by Maggie McCarty.

CRS Report R44380, *Department of Housing and Urban Development (HUD): FY2017 Budget Request Overview and Resources*, by Maggie McCarty.

Appendix. Detailed Appropriations Tables

Table A-1 shows the amounts of budget authority granted to the various military construction and family housing appropriations accounts as enacted for FY2016 and as requested by the President, passed by the two chambers and reported by the conference committee.

The table is grouped into seven separate clusters similar to those present in the bills. Nevertheless, the bill's Administrative Provisions section, which includes both rescissions of funds and new funding for the military departments' Unfunded Priorities List, has been broken into two clusters for clarity:

- Active Components (Army, Navy and Marine Corps, Air Force, and Defense-Wide, which includes defense agencies and Special Operations Command [SOCOM]);
- Reserve Components (National Guard and Reserves);
- NATO Security Investment Program (NSIP);
- Family Housing (including the Family Housing Improvement Fund, the principal DOD support for the military housing privatization initiative);
- BRAC (military base realignment and closure);
- Administrative Provisions (the normal location for rescission of prior-year appropriated budget authority); and
- Unfunded Priority Lists (budget authority not requested by the President in his annual budget request but planned for future years).

Table A-1. Title I, Department of Defense Military Construction Budget Authority, FY2016-FY2017
(thousands of dollars)

Account	FY2016 Enacted	FY2017 Request	FY2017 House	FY2017 Senate	FY2017 Conference
Active Components					
Military Construction, Army	663,245	503,459	503,459	532,359	513,459
Military Construction, Navy and Marine Corps	1,669,239	1,027,763	1,021,580	1,087,572	1,021,580
Military Construction, Air Force	1,389,185	1,481,058	1,398,758	1,579,798	1,491,058
Military Construction, Defense-Wide	2,242,867	2,056,091	2,024,643	2,038,980	2,025,444
Total, Active Components	5,964,536	5,068,371	4,948,440	5,238,709	5,051,541
Reserve Components					
Military Construction, Army National Guard	197,237	232,930	232,930	232,930	232,930
Military Construction, Air National Guard	138,738	143,957	143,957	143,957	143,957

Account	FY2016 Enacted	FY2017 Request	FY2017 House	FY2017 Senate	FY2017 Conference
Military Construction, Army Reserve	113,595	68,230	68,230	68,230	68,230
Military Construction, Navy Reserve	36,078	38,597	38,597	38,597	38,597
Military Construction, Air Force Reserve	65,021	188,950	188,950	188,950	188,950
Total, Reserve Components	550,669	672,664	672,664	672,664	672,664
Total, Military Construction	6,515,205	5,741,035	5,621,104	5,911,373	5,724,205
NSIP					
NATO Security Investment Program	135,000	177,932	177,932	177,932	177,932
Family Housing					
Family Housing Construction, Army	108,695	200,735	200,735	200,735	157,172
Family Housing Ops and Maint, Army	375,611	325,995	325,995	325,995	325,995
Family Housing Construction, Navy and Marine Corps	16,541	94,011	94,011	94,011	94,011
Family Housing Ops and Maint, Navy and Marine Corps	353,036	300,915	300,915	300,915	300,915
Family Housing Construction, Air Force	160,498	61,352	61,352	61,352	61,352
Family Housing Ops and Maint, Air Force	331,232	274,429	274,429	274,429	274,429
Family Housing Ops and Maint, Defense-Wide	58,668	59,157	59,157	59,157	59,157
DOD Family Housing Improvement Fund ^a	—	3,258	3,258	3,258	3,258
Total, Family Housing	1,404,281	1,319,852	1,319,852	1,319,852	1,276,289
BRAC					
Base Realignment and Closure^b	266,334	205,237	230,237	205,237	240,237
Administrative Provisions					
Military Construction, Army (H §125, S §126, Conf §127) ^c	-86,420	—	-25,000	-30,000	-29,602
Military Construction, Navy and Marine Corps (H §126) ^c	—	—	-51,848	—	—

Account	FY2016 Enacted	FY2017 Request	FY2017 House	FY2017 Senate	FY2017 Conference
Defense Access Roads (§132)	30,000	—	—	—	—
Military Construction, Air Force (S §126, Conf §127) ^c	-46,400	—	—	-22,340	-51,460
Military Construction, Defense-Wide (H §127, S §126, Conf §127) ^c	-134,000	—	-37,377	-132,283	-141,600
Military Construction, Defense-Wide – Planning and Design (Conf §127) ^c	—	—	—	—	-30,000
NATO Security Investment Program (H §135, S §126, Conf §127) ^c	—	—	-30,000	-15,000	-30,000
Housing Assistance Program (42 USC 3374) (H §132, Conf §128) ^d	-105,000	—	-25,000	—	-25,000
Total, Administrative Provisions	-341,820	—	-169,225	-199,623	-307,662
Unfunded Priority Lists^e					
Military Construction, Army (H §128, S §125, Conf §125)	34,500	—	40,500	40,500	40,500
Military Construction, Navy and Marine Corps (H §129, S §125, Conf §125)	34,500	—	293,600	143,000	227,099
Military Construction, Army National Guard (H §130, S §125, Conf §125)	51,300	—	67,500	16,500	67,500
Military Construction, Army Reserve (H §131, S §125, Conf §125)	34,200	—	86,500	30,000	30,000
Military Construction, Air Force (H §132, S §125, Conf §125)	21,000	—	26,000	195,465	149,500
Military Construction, Defense-Wide (S §125)	—	—	—	64,364	—
Military Construction, Air National Guard (S §125, Conf §125)	6,100	—	—	11,000	11,000
Military Construction, Air Force Reserve	10,400	—	—	—	—

Account	FY2016 Enacted	FY2017 Request	FY2017 House	FY2017 Senate	FY2017 Conference
Military Construction, Navy and Marine Corps (Conf §126)	—	—	—	—	89,400
Family Housing, Army (S §125)	—	—	—	14,400	—
Total, Unfunded Priority Lists, FY2016 and FY2017	192,000	—	514,100	515,229	614,999
Total New Budget Authority, Title I, Department of Defense^f	8,171,000	7,444,056	7,694,000	7,930,000	7,726,000
Total Appropriations, Title I, Department of Defense^g	8,542,820	7,444,056	7,863,225	8,129,623	8,033,662

Source: Adapted from H.Rept. 114-640.

- a. The DOD Housing Improvement Fund is the principal source of appropriated funds to support the Military Housing Privatization Initiative (privatized military housing). The rescission would be taken from unobligated prior-year budget authority.
- b. Since the completion in 2011 of the 2005 round of military base closures and realignments, virtually all funding in the Base Realignment and Closure (BRAC) account has been devoted to environmental remediation efforts on surplus DOD property.
- c. Section (§) numbers refer to provisions in either the House (H) or Senate (S) amendments to or the conference (Conf) agreement on H.R. 2577. This provision would rescind unobligated budget authority appropriated in prior years.
- d. The Housing Assistance Program authorizes the Secretary of Defense to provide financial aid to eligible military, civilian, and certain overseas and non-appropriated fund employee homeowners where defense installations have been closed or where operations have been significantly reduced and real property values have subsequently declined. Several years ago, eligibility for the program was expanded to include certain wounded, injured, or ill service members and surviving spouses.
- e. For a number of years, at the request of the House Committee on Armed Services, the military departments have submitted a list of their highest-priority projects that were not included in the President's annual budget submission. These are commonly referred to as Unfunded Priority Lists (UPL). In the various versions of the bill, UPL appropriations are included within the more general Administrative Provisions section. They are separated in this table for clarity. The military department's general Unfunded Priorities Lists is available at <http://www.cq.com/pdf/4847609.pdf>, <http://www.cq.com/pdf/4847607.pdf>, <http://www.cq.com/pdf/4847611.pdf>, and <http://www.cq.com/pdf/4847603.pdf>.
- f. The figures shown for *Total, New Budget Authority, Title I, Department of Defense* reflect the new budget authority that would be appropriated by the act.
- g. The figures shown for *Total Appropriations, Title I, Department of Defense*, represent the budget authority that would be made available for Title I military construction combining the new budget authority granted and the already appropriated budget authority rescinded from prior appropriations acts.

Table A-2 presents the military construction funding requested and recommended for Overseas Contingency Operations construction.

Table A-2. Title IV, Overseas Contingency Construction Budget Authority, FY2016-FY2017

(thousands of dollars)

Account	FY2016 Enacted ^a	FY2017 Request	FY2017 House	FY2017 Senate ^b	FY2017 Conference
Overseas Contingency Operations					
Military Construction, Navy	—	38,409	38,409	—	38,409
Military Construction, Air Force	—	11,440	11,440	—	11,440
OCO Total	—	49,849	49,849	—	49,849
European Reassurance Initiative					
Military Construction, Army	—	18,900	18,900	—	18,900
Military Construction, Navy	—	21,400	21,400	—	21,400
Military Construction, Air Force	—	68,300	68,300	—	68,280
Military Construction, Defense-Wide	—	5,000	5,000	—	5,000
ERI Total	—	113,600	113,600	—	113,580
Counter Terrorism Support					
Military Construction, Air Force	—	9,000	8,551	—	8,571
CTS Total	—	9,000	8,551	—	8,571
Total, Title IV, Overseas Contingency Construction	—	172,449	172,000	—	172,000

Source: Adapted from H.Rept. 114-640.

- a. The House version of the FY2016 MILCON/VA appropriations bill (H.R. 2029) would have segregated OCO construction funding into a Title IV. The Senate amendment to the bill did not contain a separate OCO construction Title IV. The enacted appropriation, Division J of the Consolidated Appropriations Act, 2016 (P.L. 114-113), followed the Senate outline.
- b. The Senate amendment to H.R. 2577 did not separate OCO construction funding in a separate title.

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