



President's Budget Proposal Would Deeply Cut Federal Spending

President Obama submitted his fiscal year 2012 budget request to Congress on February 14, 2011. Overall, the budget requested \$50 billion above the FY11 request for construction, most of which went towards transportation infrastructure. Federal construction is taking a cut of about \$1 billion compared to last year's budget request. The federal construction investments for the various programs are as follows:

Natural Resources Conservation Service

Just under \$1 billion was set aside in President's budget proposal for the Natural Resources Conservation Service. However, the Watershed and Flood Protection Program and the Watershed Rehabilitation Program were both cut from the FY12 budget. The 2012 budget request reflects the Administration's position that the maintenance, repair, and operation of these dams are primarily a local responsibility. In addition to the programs being cut from the FY12 budget, \$165 million currently available under the Watershed Rehabilitation Program are proposed to be permanently cancelled.

Bureau of Reclamation

\$1 billion was requested for the Bureau of Reclamation for initiatives that will support ecosystem restoration, renewable energy, cooperative landscape restoration, sustainable water supply strategy, infrastructure needs, and strengthening tribal nations. The water- and water-related resources program funds would be used for the management, development, and restoration of water resources and related activities including the operation, maintenance and rehabilitation of reclamation and other facilities. The budget request provided \$805 million for water and related resources, a decrease in almost 12% from President Obama's budget request last year.

Department of State

Overall, the budget provides the Department of State and U.S. Agency for International Development with \$47 billion, an increase of one percent over 2010. \$863 million was included for Embassy construction to provide diplomatic and consular missions abroad with safe, secure, and functional facilities. This is a one percent increase from the FY11 budget request.

Department of Veterans Affairs

The Veterans Affairs Administration is provided \$132 billion in the proposed budget. Of that, \$1.2 billion is set aside for construction projects, a 31 percent decrease from the FY11 proposed budget. \$590 million is provided for major projects, \$550 for minor projects, and \$85 for grants for construction of state extended care facilities. The President's budget reduces spending for construction to focus resources on providing timely, high-quality care and benefits to veterans.

General Services Administration

The President's proposed budget provides \$11.5 billion for the General Services Administration Federal Buildings Fund. Of that, \$839 million is for construction and acquisition and \$868.9 is for repairs and alterations. This fund provides for maintenance and repair of federally owned buildings, courthouses and land ports of entry. The fiscal 2012 budget request for GSA construction is 24 percent higher than fiscal 2011.

U.S. Army Corps of Engineers – Civil Works

The U.S. Army Corps of Engineers non-military funding for the proposed FY12 budget totaled \$4.6 billion, an 11 percent reduction from the FY11 request. Of that total, \$104 million went to General Investigations, \$1.4 billion for General Construction, \$209 million for the Mississippi river and tributaries, \$2.3 billion for operations and maintenance, \$109 million to Formerly Utilized Sites Remedial Action Program, and \$27 million for flood control and coastal emergencies.

Military Construction

\$16.3 billion was provided in the FY12 budget request for military construction. These funds are to provide facilities required as a result of new weapon systems entering the inventory, including aircraft and naval vessels. The FY12 request is 3.8 percent less than the budget request for fiscal 2011. \$144.9 billion is provided for the Army, \$161.4 billion each for the Navy and Marines, \$150 billion for the Air Force, and \$96.8 billion for Defense Department spending.

Environmental Protection Agency

The budget provides \$1.550 billion for the Clean Water State Revolving Loan and \$990 million for Drinking Water State Revolving Loan Funds. These represent \$450 million and \$310 million less than what was requested in the FY 2011 budget, respectively. AGC is working to at least restore the funding to these programs to address our country's clean and drinking water needs.