



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
CIVIL WORKS  
108 ARMY PENTAGON  
WASHINGTON DC 20310-0108

FEB 23 2026

MEMORANDUM FOR COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS

SUBJECT: Section 902 Reassignment – Reallocation Strategy

1. References:

- a. Section 902(b) of the Water Resources Development Act (WRDA) of 1986.
- b. Engineering Regulation 1105-2-100. Planning Guidance Notebook, Appendix G, Amendment #1, dated June 30, 2004.
- c. SACW Memorandum (Life Cycle Cost Management on Civil Works Projects), 20 February 2013.
- d. Army Corps of Engineers – Civil Works FY 2026 Budget Passback from the Office of Management and Budget dated April 10, 2025.
- e. SACW Memorandum (Realignment of the Investigation Phase and Federal Interest Determination to Ensuring Effective Use of Federal Resources), 23 February 2026.

2. Purpose: This memorandum provides policy direction to the U.S. Army Corps of Engineers (Corps) regarding the resourcing of Army Civil Works Construction projects that are projected to exceed the WRDA 1986 Section 902 limit (902 limit) in accordance with the goals and objectives of the President.

3. Background. Per reference 1.c above, the Office of Management and Budget (OMB) directed that, if a project cost estimate is determined to likely exceed the 902 limit after funding to begin construction has been appropriated, then the Corps must reallocate the administrative oversight funding to a different district for supervision and management of the project. Section G-15 of reference 1.b provides instructions on how to calculate the maximum project cost allowed by Section 902.

4. To meet OMB's objectives while limiting disruptions to project execution, within 60 days of the Corps' determination that the maximum project cost is projected to exceed the 902 limit, the Chief of Engineers shall transmit to my office a business case that enumerates the benefits and challenges for each of the following three alternatives, an evaluation of the three alternatives, and, finally, the recommended course of action and how the Corps intends to manage the project and control costs. The memorandum must

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also identify any concerns with any of the alternatives violating the Anti-Deficiency Act. The three alternatives are:

- a. Continue with the same project delivery team.
- b. Reassign the project to a new project delivery team within the district.
- c. Reassign the project to a project delivery team in another district.

5. Scope of Analysis. In addition to the items required in paragraph 4, the Corps should provide a scope of work describing the requirements of any post authorization change report (PACR). This should include a description of any engineering, economic, or environmental work and associated modeling required to complete the PACR. The information provided in the PACR shall conform to reference 1.e. My office will review and provide concurrence on that scope.

6. Initial Implementation Meeting. The Corps should provide me a briefing NLT 14 March 2026 addressing Corps plans for implementing this directive. In addition, this topic will be covered in the quarterly Construction execution meetings to assess progress on this initiative and ensure continued momentum on its ongoing implementation.

7. Questions regarding the policy in this memorandum should be directed to Stacey Brown, Deputy Assistant Secretary for the Army, Management and Budget, at [stacey.e.brown.civ@army.mil](mailto:stacey.e.brown.civ@army.mil) or (703) 695-1376.



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