

FEDERAL BUILDINGS FUND

Invest in Federal Infrastructure by Encouraging the Full Use of GSA's Federal Building Fund

Background:

General Services Administration's (GSA) construction activities are primarily funded through the Federal Building Fund (FBF), where other agencies pay their rents to GSA for the space they occupy. Excess funds collected are used for building repairs and new construction projects. Recent funding shortfalls have resulted in a backlog of repairs, alterations and project starts. As the nation's buildings age and the government models for space requirements evolve, the current method for collecting revenues may not be accurate and may adversely impact the FBF. Without additional investment, the FBF could be jeopardized, negatively affecting funding for critical GSA construction projects. In Fiscal Year 2023, FBF revenue exceeded \$11.9 billion but less than half was appropriated for GSA to invest in fixing federal facilities.

Action Needed:

Support full use of GSA's Federal Buildings Fund to improve federal infrastructure

AGC Message:

- **Require Full Use of FBF for its Intended Purposes.** The FBF is a separate fund set up by Congress solely for GSA's new construction and maintenance of federal facilities. As such, the FBF does not add to the federal deficit. GSA does not have full access to these funds until Congress appropriates it directly to GSA. However, for decades Congress has not appropriated the full amount of the FBF to GSA for the fund's intended purposes.
- **This Requirement is Precedented.** Congress recently enacted full use of the Harbor Maintenance Trust Fund (HMTF). The HMTF used taxes on shipping to specifically fund American harbors and ports. However, Congress failed to appropriate the full amount of the trust fund leading to underinvestment and disrepair of ports and harbors, causing inefficiencies and delays. Congress recognized this and, in the Water Resources Development Act of 2020, implemented requirements to appropriate the full use of the HMTF. Similarly, Congress should give authority to GSA for the full use of the FBF.
- **Historical Underfunding of Federal Facilities.** Many federal facilities across the country were built more than fifty years ago. As such, a backlog exists in new construction projects and repairs for facilities that are used by both federal employees and the general public.