



Updated July 18, 2023

Bureau of Reclamation: FY2024 Budget and Appropriations

The Bureau of Reclamation (Reclamation), part of the Department of the Interior, is responsible for the construction and operation of hundreds of large dams and water diversion structures in the 17 western reclamation states as designated in statute (43 U.S.C. §391). Reclamation is the largest wholesale supplier of water in these 17 states and the second-largest hydroelectric power producer in the nation. Reclamation’s mission areas and geographic scope are narrower than those of the other principal federal water resource agency, the U.S. Army Corps of Engineers.

Reclamation’s Water and Related Resources account funds most agency activities, including construction, operations and maintenance, dam safety, ecosystem restoration, and Indian water rights settlements, as well as the agency’s programmatic and grant authorities (including those for water reuse and recycling, desalination, conservation and efficiency, and restoration, among other purposes). Reclamation typically also receives funding for three smaller accounts: California Bay-Delta Restoration, the Central Valley Project Restoration Fund (which is offset by customer receipts), and Policy and Administration.

FY2024 Budget and Appropriations

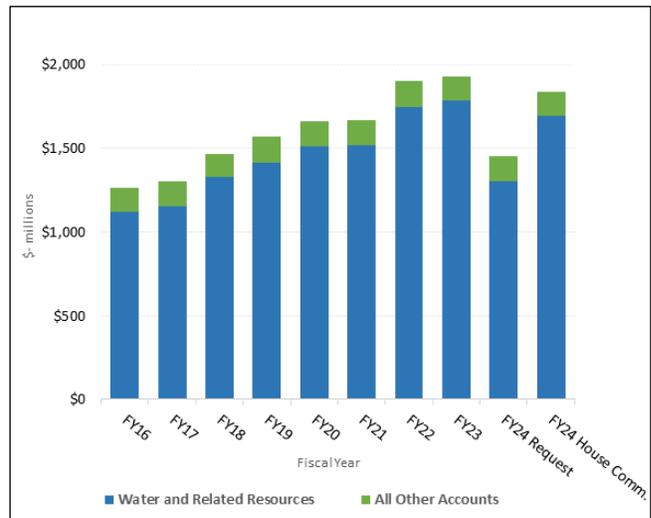
The Administration budget request for Reclamation is usually for a lower amount than the final enacted total of annual appropriations. For FY2024, the President requested \$1.45 billion in current budget authority (i.e., appropriations before offsets) for Reclamation and the House Appropriations Committee approved \$1.84 billion. The Energy and Water Development and Related Agencies Appropriations Act, 2023 (Division D of the Consolidated Appropriations Act, 2023, P.L. 117-328), provided \$1.93 billion for Reclamation. **Figure 1** shows recent Reclamation annual appropriations levels.

In addition to regular appropriations, Congress has provided Reclamation with supplemental appropriations that may factor into FY2024 appropriations considerations. The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) included \$8.30 billion in supplemental appropriations for various infrastructure-focused Reclamation expenditures. This funding is to be made available in equal installments from FY2022 to FY2026 (i.e., \$1.66 billion per year). P.L. 117-169 (popularly known as the Inflation Reduction Act of 2022, IRA) provided an additional \$4.59 billion for Reclamation, including \$4.00 billion for western drought mitigation with priority given to actions in the Colorado River Basin. IIJA funding is “no year” funding, meaning it remains available until expended; IRA funding is to remain available until FY2026 or FY2031, depending on the provision. Reclamation has been gradually allocating IIJA

funding in spend plans for each fiscal year and is releasing IRA funding on a rolling basis.

Figure 1. Reclamation Annual Appropriations, FY2016-FY2024

(nominal \$ in millions)



Source: CRS, based on FY2016-FY2023 enacted appropriations, the FY2024 President’s budget request, and H.Rept. 118-126.

Notes: Does not reflect supplemental funding or offsetting receipts.

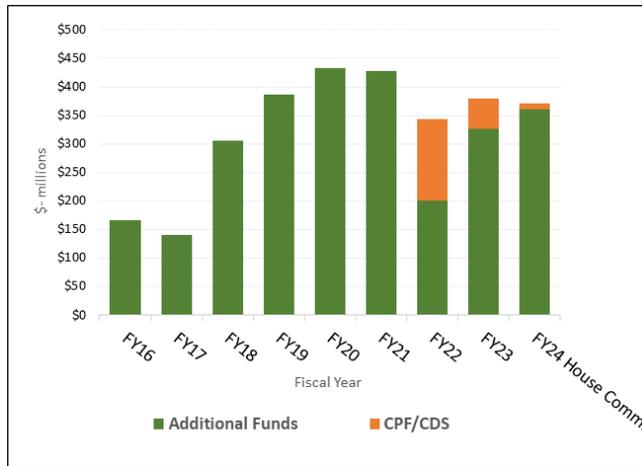
“Earmarks” and Reclamation

Reclamation’s Water and Related Resources account consists largely of individual project funding lines. During the 112th-116th Congresses, Reclamation appropriations were subject to general “earmark moratoriums” that restricted Congress from funding geographically specific project line items not requested by the Administration. Instead, Congress included “additional funding” amounts for selected categories of Reclamation projects, typically in five categories: Rural Water, Water Conservation and Delivery, Environmental Restoration and Compliance, Fish Passage/Fish Screens, and Facilities Maintenance and Rehabilitation. The Administration allocated these funds for specific projects in spend plans made available several months after enactment of the appropriations bills. (Spend plans are available at <http://www.usbr.gov/budget/>.)

In FY2022, Congress included the first Member-requested “earmarks” since the 111th Congress. These funds were categorized as *community project funding* (CPF) or *congressionally directed spending* (CDS) in the House and Senate, respectively. For FY2023, the explanatory statement for the enacted bill continued to include these funds in their recommendations for Reclamation, in addition to amounts designated as “Additional Funding.” In its FY2024 recommendation, the House Appropriations

Committee included \$361 million in additional funding and \$11 million in CPF (Figure 2).

Figure 2. Additional Funding for Reclamation Projects in Annual Appropriations: FY2016-FY2024
(nominal \$ in millions)



Sources: CRS, based on FY2016-FY2023 enacted appropriations and H.Rept. 118-126.

Notes: CPF/CDS = Community Project Funding/Congressionally Directed Spending.

Reclamation Appropriations Issues

WIIN Act Section 4007 Funding

Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) authorized a new process for Reclamation to study and construct federal and nonfederal water storage projects. For projects to receive funding under Section 4007, first Congress must appropriate funds under this authority. Then the Administration must recommend specific projects to fund and Congress must decide whether to approve the recommendations in enacted appropriations legislation.

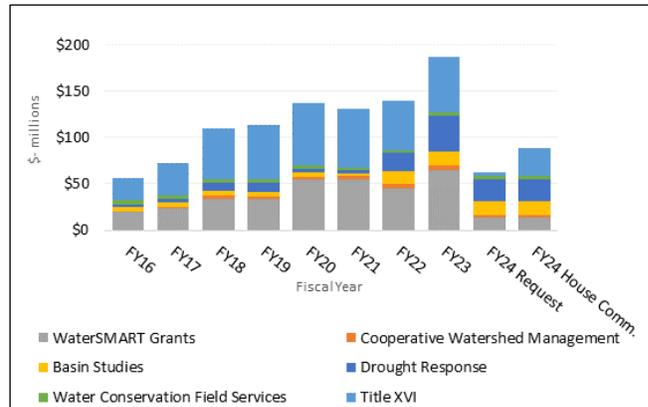
From FY2017 through FY2023, Congress appropriated \$854 million in regular appropriations for these projects. Congress has approved Administration recommendations for 13 projects and \$511 million of this funding in three states: 10 in California, 2 in Washington, and 1 in Idaho. No funding was requested for these projects in the Administration’s FY2024 budget, and the Administration has not recommended any project allocations of prior year appropriations to date. The House Appropriations Committee’s FY2024 bill language would approve funding previously recommended during the Trump Administration for a Section 4007 project (the Shasta Dam and Reservoir Enlargement Project) that was not previously enacted. It is unclear how much funding could be released for the project pursuant to this language.

WaterSMART Program

Reclamation combines funding for six subprograms (many of them awarded as grants) that promote water conservation into one program—the WaterSMART program. The largest subprograms are WaterSMART Grants (i.e., water and energy efficiency grants) and Title XVI projects (i.e., water recycling and reuse projects). In the FY2024 budget

request, the Biden Administration proposed \$63 million for the WaterSMART program. In its recommendation, the House Appropriations Committee proposed \$88 million for WaterSMART (Figure 3).

Figure 3. WaterSMART Program Annual Appropriations: FY2016-FY2024
(nominal \$ in millions)



Source: CRS, based on FY2016-FY2023 enacted appropriations, the FY2024 President’s Budget request, and H.Rept. 118-126.

Indian Water Rights Settlements

The FY2024 President’s Budget proposed changes in how Reclamation funds Indian water rights settlements. For the first time in decades, the budget proposed no discretionary funding for construction of projects for these settlements, noting funding needs could be met by mandatory funding available from the Reclamation Water Settlements Fund and the Indian Water Rights Settlement Completion Fund. The Administration also proposed two new mandatory funds. The first would provide \$2.5 billion to support additional funding for new and amended settlements. The other fund would provide \$340 million over 10 years to address ongoing operation, maintenance, and repairs associated with existing Indian water rights settlements. Both funds would require congressional authorization.

Additional Reading

CRS Report R47032, *Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)*

CRS In Focus IF12437, *Bureau of Reclamation Funding in the Inflation Reduction Act (P.L. 117-169)*

CRS In Focus IF12414, *Bureau of Reclamation WaterSMART Program*

CRS Report R44148, *Indian Water Rights Settlements*

CRS In Focus IF10626, *Reclamation Water Storage Projects: Section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act*

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