



# Bureau of Reclamation: FY2016 Appropriations

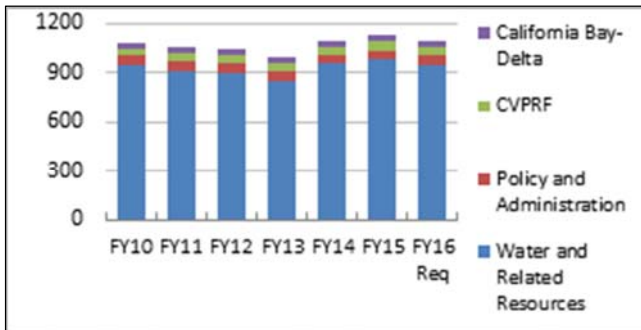
## Overview

Most of the large dams and water diversion structures in the West were built by, or with the assistance of, the Bureau of Reclamation. While the Army Corps of Engineers built hundreds of flood control and navigation projects, Reclamation’s mission was to develop water supplies, primarily for irrigation to reclaim arid lands in the West. Today, Reclamation manages hundreds of dams and diversion projects, including more than 300 storage reservoirs in 17 western states. These projects provide water to approximately 10 million acres of farmland and a population of 31 million people. Reclamation is the largest wholesale supplier of water in the 17 western states and the second-largest hydroelectric power producer in the nation. Reclamation facilities also provide substantial flood control, recreation, and fish and wildlife benefits. Operations of Reclamation facilities often are controversial, particularly for their effects on fish and wildlife species and conflicts among competing water users.

Reclamation’s single largest account, Water and Related Resources, encompasses the agency’s traditional programs and projects, including construction, operations and maintenance, dam safety, and ecosystem restoration, among others. Reclamation also requests funds in a number of smaller accounts, including California Bay-Delta Restoration, the Central Valley Project Restoration Fund (CVPRF), and Policy and Administration. **Figure 1** shows the recent appropriations history for major Reclamation accounts.

**Figure 1. Bureau of Reclamation Appropriations, FY2010-FY2016 Request**

(nominal \$ in millions)



**Source:** Prepared by the Congressional Research Service with data from the Bureau of Reclamation.

**Notes:** “FY2016 Req” means the President’s FY2016 budget request. For comparison purposes, proposed new accounts for FY2016 are shown here within the Water and Related Resources account. CVPRF = Central Valley Project Restoration Fund.

## FY2016 President’s Budget Request

The President’s budget request for FY2016 proposed \$1.09 billion for the Bureau of Reclamation, a decrease of \$32 million from the FY2015 enacted level. This figure includes \$805 million for Reclamation’s largest account, Water and Related Resources.

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The Administration also proposed to create new accounts for San Joaquin River restoration and Indian water rights settlements activities, both of which previously were funded in Water and Related Resources. These new accounts have been proposed in recent budget cycles but rejected by Congress. Activities funded in the San Joaquin River Restoration account fund ongoing activities under a congressionally authorized settlement act (P.L. 111-11). The Administration also requested \$112 million in funding for a separate Indian Water Rights Settlements account to fund ongoing expenses associated with four congressionally authorized Indian water rights settlements: the Aamodt Settlement, the Crow Settlement, the Navajo-Gallup Settlement, and the Taos Settlement. The proposed \$112 million for these activities is an increase from the FY2015 enacted level of \$90 million, which was provided within the Water and Related Resources Account.

## Earmarks and Reclamation

The Reclamation budget is made up largely of individual project funding lines and contains relatively few programs. Recently, these Reclamation projects have been subject to earmark moratoriums that restrict the addition of funding for geographically specific project line items that the Administration did not request. In lieu of these additions, Congress has included “additional funding” for selected categories of Reclamation projects (e.g., rural water projects, water conservation, drought response) and directed the bureau to report on project-level allocations of this funding in an annual work plan. Most recently, enacted appropriations for FY2015 added \$97 million to the President’s requested budget for ongoing work in various categories. This funding was allocated at the program and project levels in the bureau’s FY2015 work plan, which Reclamation released on February 6, 2015 (see [http://www.usbr.gov/budget/2016/FY2015\\_summary\\_and\\_detail\\_Project-Lists\\_%2002-02-15.pdf](http://www.usbr.gov/budget/2016/FY2015_summary_and_detail_Project-Lists_%2002-02-15.pdf)).

## Drought in the West

Drought conditions in California and other states throughout the West have received attention in recent appropriations bills. As of early 2015, more than 94% of the state of California is experiencing *severe drought*, with nearly 78% experiencing *extreme* drought and 40% experiencing *exceptional* drought—the most severe drought classification. Anticipated shortages remain serious enough to potentially warrant ongoing water delivery curtailments similar to those in recent years.

In FY2015 appropriations, the Administration requested, and Congress enacted, an extension of Reclamation’s authority under P.L. 102-250, Reclamation States Emergency Drought Relief Act (i.e., authorities other than the loan authority that was extended in FY2014 enacted appropriations) from FY2012 to FY2017 and increased Reclamation’s budget authority for water conservation grants under Section 9504 of the SECURE Water Act of 2009 (Subtitle F of P.L. 111-11). In addition, Congress authorized a pilot program to provide grants to nonfederal municipal and other entities to increase water availability in Lake Mead and other units of the Colorado River Storage Project. Finally, Congress also provided Reclamation with \$50 million for “Western Drought Response,” which was subsequently allocated by Reclamation among numerous projects in its FY2015 work plan. In its FY2016 request, the Administration did not propose comparable funding for drought response but instead requested lesser funding under other programs (such as the drought response funding for the WaterSMART program, see below).

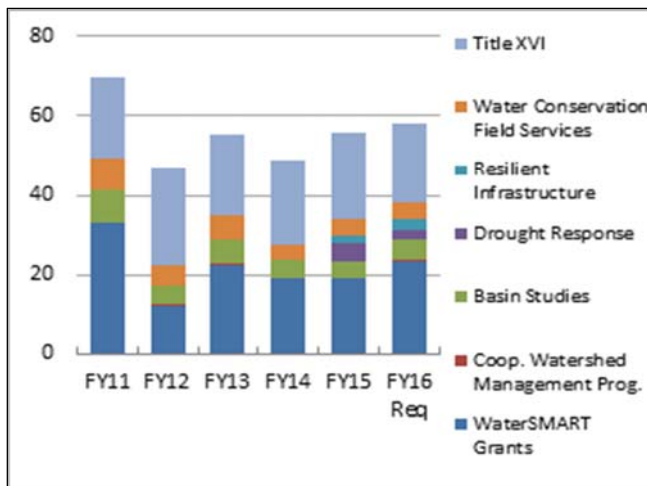
## WaterSMART

In recent years, Reclamation has combined funding for bureau- wide programs promoting water conservation into a single program—the WaterSMART (Sustain and Manage America’s Resources for Tomorrow) program. The program is part of the Department of the Interior’s focus on water conservation, reuse, and planning, and it is notable for its departure from Reclamation’s traditional project-based funding. It includes funding for seven programs, which are shown in **Figure 2**. Of these, the largest items are WaterSMART grants and Title XVI projects.

In FY2016, the President’s budget requested \$58 million for the WaterSMART program, an increase of \$7.5 million over the FY2015 enacted level. Most of the increase was for WaterSMART grants, whose proposed funding level would be increased from \$19 million to \$23 million. The FY2016 request also proposed to include \$2.5 million for drought response as part of the WaterSMART program. The Drought Response Program would fund new planning and implementation actions under existing authorities.

**Figure 2. Reclamation WaterSMART Program**

(nominal \$ in millions)



**Source:** Prepared by the Congressional Research Service with data from the Bureau of Reclamation.

## The Reclamation Fund

Much of Reclamation’s funding is made available from the Reclamation Fund, which originally was intended as a mechanism to fund western water infrastructure based on incoming proceeds from a number of different sources. These sources include receipts from Reclamation project repayment, natural resource royalties on public lands, and hydropower revenues. In recent years, appropriations from the fund (largely for the Water and Related Resources account) have not kept pace with receipts, and some propose increasing appropriations from the fund in accordance with the original stated intent of the fund’s authorizers. Congress could increase appropriations from the Reclamation Fund at any time (including in annual discretionary appropriations or through mandatory funding), but these changes typically are subject to congressional budget and scoring rules. For more information on the Reclamation Fund, see CRS Report IF10042, *The Reclamation Fund*, by Charles V. Stern.

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