



Bureau of Reclamation: FY2016 Appropriations

Overview

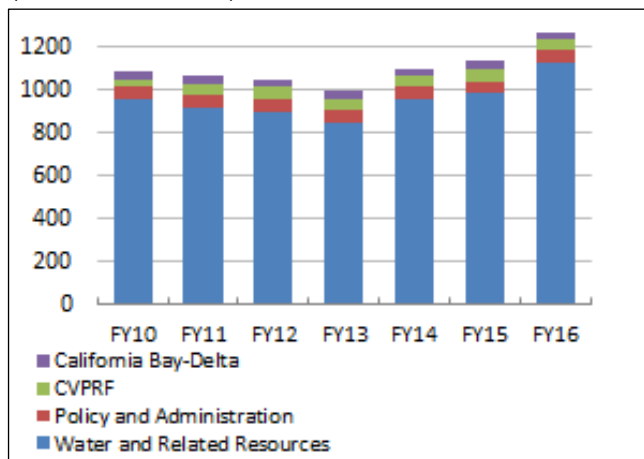
Most of the large dams and water diversion structures in the West were built by, or with the assistance of, the Bureau of Reclamation, part of the Department of the Interior. Whereas the Army Corps of Engineers built hundreds of flood control and navigation projects, Reclamation's mission was to develop 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 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 majority of 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 recent appropriations for Reclamation accounts.

Figure 1. Bureau of Reclamation Appropriations, FY2010-FY2016

(nominal \$ in millions)



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

Note: CVPRF = Central Valley Project Restoration Fund.

FY2016 Appropriations

The President's budget for FY2016 proposed \$1.09 billion for the Bureau of Reclamation, a decrease of \$32 million from the FY2015 enacted level. (This figure included \$805 million for Reclamation's largest account, Water and Related Resources.) Final FY2016 enacted appropriations from Congress provided \$1.26 billion for Reclamation.

The FY2016 President's budget proposed \$1.09 billion for the Bureau of Reclamation, a decrease from the FY2015 enacted level. Final enacted appropriations for FY2016 provided \$1.26 billion for Reclamation.

In its budget, the Administration 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 also were proposed in previous budget cycles but were rejected by Congress. Activities that would have been funded in the San Joaquin River restoration account encompass ongoing Reclamation actions 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 would have been an increase from the FY2015 enacted level of \$90 million, which was provided within the Water and Related Resources Account. Although the enacted bill for FY2016 generally agreed with the Administration's proposed funding levels for Indian water rights settlements and San Joaquin River restoration, Congress again rejected the Administration's request for new accounts for these activities.

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, and drought response) and directed the bureau to report on project-level allocations of this funding in an annual work plan. 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. In FY2016, Congress added \$166 million for various categories of work, which

was reported in the Administration's FY2016 spending plan (available at <http://www.usbr.gov/budget/>).

Drought in the West

Drought conditions in California and other states throughout the West have received attention in recent appropriations bills. As of late 2015, more than 88% of the state of California was experiencing *severe drought*, with nearly 69% experiencing *extreme* drought and 45% 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.

FY2015 appropriations included multiple drought-related provisions. For instance, Congress enacted an extension of Reclamation's authority under P.L. 102-250, the Reclamation States Emergency Drought Relief Act, to FY2017. Congress also provided Reclamation with \$50 million in additional funding for "Western Drought Response" actions. This funding was subsequently allocated by Reclamation at the project level in its FY2015 work plan.

In its FY2016 request, the Administration did not propose comparable funding for drought response but instead requested lesser funding for other programs (such as the drought response funding for the WaterSMART program, see below). Enacted appropriations for FY2016 again included funding for Western Drought Response, adding \$100 million to be allocated at the Administration's discretion. Project-level allocations were reported in the Administration's FY2016 spending plan. Enacted appropriations included additional authority for Reclamation to study and incorporate new water storage at dam safety projects; Congress also included deadlines for the completion of certain new and ongoing water storage studies in California. These authorities had been proposed previously in comprehensive drought legislation during the 114th Congress.

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 seven items, the largest are WaterSMART grants and Title XVI projects.

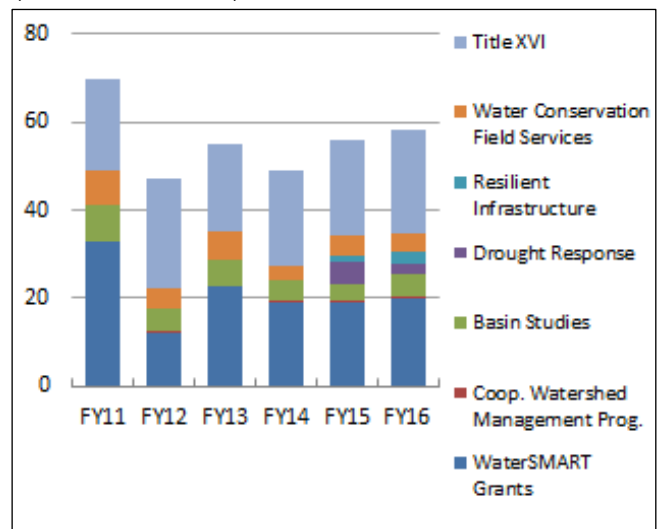
In FY2016, the President's budget requested \$58 million for the WaterSMART program, an increase of \$7.5 million over the FY2015 enacted level. Most of the increase would have been for WaterSMART grants, with a proposed funding level that would have increased from \$19 million to \$23 million. The FY2016 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.

Enacted appropriations for FY2016 agreed with the recommendation of \$58 million total for the program. However, they decreased funding for WaterSMART grants from \$23 million to \$20 million and increased funding for Title XVI projects from \$20 million to \$23 million.

Figure 2. Reclamation WaterSMART Program, FY2011-FY2016

(nominal \$ in millions)



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

Status of the Reclamation Fund

Much of the Bureau of Reclamation's funding is made available from the Reclamation Fund, which originally was intended as a mechanism to fund western water infrastructure. Funding is based on incoming proceeds from several different sources, including 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 have proposed increasing appropriations from the fund (either through mandatory or discretionary funding) in accordance with the original 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.

In FY2016, it was expected that receipts accruing to the Reclamation Fund would exceed the final appropriated level by almost \$500 million. For more information on the Reclamation Fund, see CRS In Focus IF10042, *The Reclamation Fund*, by Charles V. Stern.

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