



Bureau of Reclamation: FY2018 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 (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 338 storage reservoirs in 17 western states. Operations of Reclamation facilities can be controversial, particularly in relation to how they affect fish and wildlife species and lead to conflicts among competing water users.

Reclamation’s role in water resources development has evolved over time. Reclamation’s focus has gradually shifted from construction of new water storage projects to operations and maintenance of existing projects, many of which are aging. Reclamation also has been authorized to carry out new missions and programs, including funding Indian water supply projects as part of congressionally authorized Indian water rights settlements and supporting rural water supply, water reuse and recycling, and desalination efforts, among other things.

Reclamation typically receives its appropriations through the annual Energy and Water Development appropriations bill. Reclamation’s single largest budget account, Water and Related Resources, encompasses the majority of the agency’s programs and projects, including construction, operations and maintenance, dam safety, and ecosystem restoration. Many of these projects derive funding from the Reclamation Fund, a special account in the U.S. Treasury. (For more information, see CRS In Focus IF10042, *The Reclamation Fund*.) The Water and Related Resources account also funds Indian water rights settlements and certain programmatic authorities (e.g., Title XVI water reuse and recycling grants). In addition to the Water and Related Resources account, Reclamation requests funds for three smaller accounts in its annual appropriation: the geographically specific California Bay-Delta Restoration and Central Valley Project Restoration Fund accounts (the latter of which is offset by customer receipts) and the Policy and Administration account (which funds administrative expenses). **Figure 1** shows recent appropriations for Reclamation.

FY2018 Budget and Appropriations

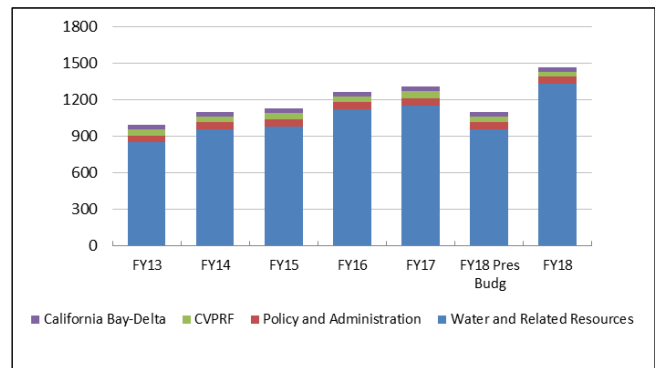
The President’s budget for FY2018 proposed \$1.09 billion for the Bureau of Reclamation, \$210 million less than the FY2017-enacted level of \$1.31 billion.

The House-passed Energy and Water Development appropriations bill provided \$1.23 billion for all Reclamation accounts in FY2018, whereas the Senate

Appropriations Committee recommended \$1.29 billion. The final enacted amount for Reclamation for FY2018 in P.L. 115-141 (enacted March 23, 2018) was \$1.47 billion.

Figure 1. Bureau of Reclamation Appropriations, FY2013-FY2018

(nominal \$ in millions)



Source: Prepared by the Congressional Research Service (CRS), based on Bureau of Reclamation budget data.

Notes: CVPRF = Central Valley Project Restoration Fund.

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, environmental restoration) and directed Reclamation to report back on project-level allocations of this funding in a work plan. Enacted appropriations for FY2017 added \$112 million to the President’s requested budget for work in various categories. The funding was subsequently allocated at the program and project levels in Reclamation’s FY2017 work plan (available at <http://www.usbr.gov/budget/>). For FY2018, Congress included \$306 million in five project categories: rural water (\$67 million); water conservation and delivery (\$189 million); environmental restoration or compliance (\$40 million); fish passage and fish screens (\$5 million); and facilities operation, maintenance, and rehabilitation (\$4 million).

Issues for Congress

WIIN Act Funding

The severe drought in California from 2012 to 2016 increased attention on the study and construction of Reclamation water storage projects in western states. Section 4007 of the Water Infrastructure Improvements for

the Nation Act (WIIN Act; P.L. 114-322), enacted in December 2016, authorized Reclamation to provide financial support for new or expanded federal and nonfederal water storage projects. Enacted appropriations for FY2017 provided funding for this authority by stipulating that \$67 million of the additional funding amount for water conservation and delivery go to projects authorized under Section 4007 of the WIIN Act. In subsequent reporting to Congress, Reclamation recommended an initial list of seven projects to receive that funding, and these recommendations were agreed to by Congress in the enacted FY2018 appropriations bill. The bill further stipulated that \$134 million of the \$189 million set aside for additional water conservation and delivery projects be provided to Section 4007 WIIN Act storage projects. The bill also provided that \$30 million of the \$40 million in additional funding for environmental restoration and compliance be provided for activities under Sections 4001 and 4010 of the WIIN Act, which relate generally to pumping operations and environmental mitigation for the California Central Valley Project. For additional information on these provisions, see CRS Report R44986, *Water Infrastructure Improvements for the Nation (WIIN) Act: Bureau of Reclamation and California Water Provisions*.

FY2018-enacted appropriations for Reclamation also included WIIN-authorized funding in other selected categories. The bill provided an additional \$12 million beyond the Administration's request for new Water Desalination Act research and development activities under Section 4009(a) of the WIIN Act. The bill also required that \$20 million of the \$34 million appropriated for the Title XVI water reuse/recycling in the WaterSMART program (see below section, "WaterSMART Program") be allocated to projects under Section 4009(c) of the WIIN Act, which authorized construction funding for Title XVI projects with studies carried out by nonfederal sponsors.

WaterSMART Program

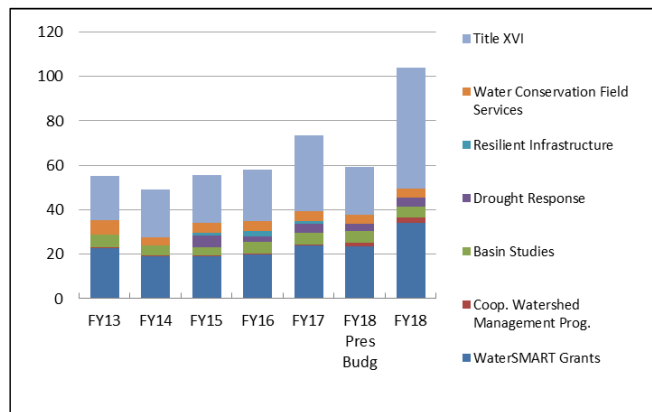
Reclamation combines funding for multiple agency-wide programs promoting water conservation into a single program—the WaterSMART (Sustain and Manage American Resources for Tomorrow) program. The program is part of the Department of the Interior's focus on water conservation, reuse, and planning, and it is notable for its departure from Reclamation's traditional project-based funding. In recent years, it has included funding for seven programs, which are shown in **Figure 2**. Of these seven programs, the largest are WaterSMART grants (which fund water and energy efficiency projects) and Title XVI projects (which fund water recycling and reuse projects).

For FY2018, the Administration requested \$59 million for the WaterSMART program, a decrease of \$14.5 million from the FY2017-enacted level. The two largest WaterSMART programs, Title XVI and WaterSMART grants, were requested to receive \$22 million and \$23 million, respectively. The FY2018-enacted bill included

\$104 million for WaterSMART, \$54 million for Title XVI, and \$34 million for WaterSMART grants.

Figure 2. Bureau of Reclamation WaterSMART Program, FY2013-FY2018

(nominal \$ in millions)



Source: Prepared by CRS, based on Reclamation budget data.

Rural Water and Indian Water Rights Settlements

Reclamation is involved in the construction and operation of projects that provide water supplies to rural communities and Indian tribes. The FY2018 President's budget requested \$46 million for six authorized rural water projects: Mni Wiconi (South Dakota); Pick Sloan-Missouri Basin Program-Garrison Diversion Unit (North Dakota); Fort Peck Reservation/Dry Prairie Rural Water System (Montana); Rocky Boy's/North Central Rural Water System (Montana); Lewis and Clark Rural Water System (South Dakota, Minnesota, Iowa); and Eastern New Mexico Water Supply (New Mexico). Some of these projects also benefit tribal areas. The enacted bill included an additional \$67 million above the Administration's request for these projects, with the surplus amount above the Administration's request to be allocated by Reclamation in a work plan (see previous section, "Earmarks and Reclamation").

Reclamation also is responsible for the construction of multiple water supply systems associated with authorized Indian water rights settlements. For FY2018, the Administration requested \$99 million to implement four authorized Indian water rights settlements: Aamodt (\$8 million); Blackfeet (\$10 million); Crow Tribe (\$13 million); and Navajo-Gallup Water Supply (\$68 million). The Blackfeet funding represented the first funding request for that settlement. In the enacted bill for FY2018, Congress agreed with the proposed funding levels. For more information on these settlements, see CRS Report R44148, *Indian Water Rights Settlements*.

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