



March 17, 2020

Bureau of Reclamation: FY2021 Appropriations

Overview

Most of the large dams and water diversion structures in the 17 states west of the Mississippi River were built by, or with the assistance of, the Bureau of Reclamation (Reclamation), part of the Department of the Interior. Reclamation’s original mission was to develop water supplies, primarily for irrigation to reclaim arid lands in the West. Today, its mission includes management, development, and protection of water and related resources. Reclamation’s mission areas and geographic scope are generally narrower than those of the other principal federal water resource agency, the U.S. Army Corps of Engineers.

Reclamation manages hundreds of water storage and conveyance projects. 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 states west of the Mississippi River and the second-largest hydroelectric power producer in the nation. Reclamation facilities’ operations can be controversial, particularly in relation to effects on fish and wildlife species and conflicts among competing water users.

Reclamation’s role has evolved, and its focus has gradually shifted from construction of new water storage projects to operation and maintenance of existing projects. Reclamation also has expanded into new areas, including funding for water supply projects on tribal lands and in rural areas under congressionally authorized Indian water rights settlements and rural water supply projects, respectively. In addition, Congress has authorized Reclamation grants to nonfederal projects, including those for water reuse and recycling, conservation and efficiency, and desalination.

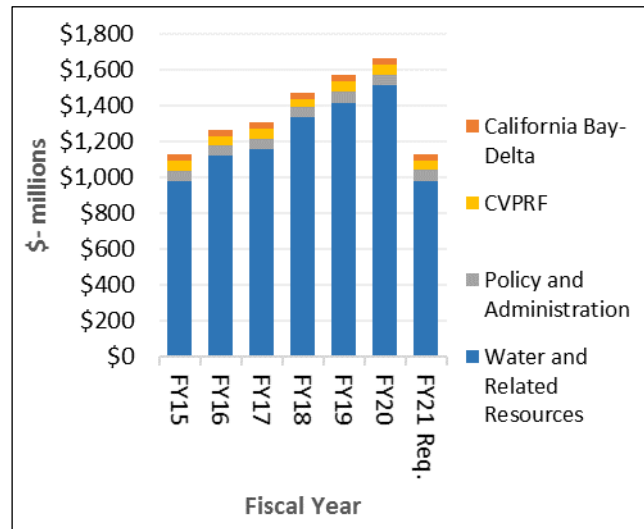
Reclamation’s Water and Related Resources account funds most agency activities, including construction, operation and maintenance, dam safety, and ecosystem restoration. It also funds Indian water rights settlements and most Reclamation programmatic and grant authorities. Reclamation typically also requests funding for three smaller accounts: California Bay-Delta Restoration, the Central Valley Project Restoration Fund (which is offset by customer receipts), and the Policy and Administration account.

FY2021 Budget

The President’s budget request for FY2021 proposed \$1.13 billion in gross current authority (i.e., appropriations before offsets) for Reclamation. Congress enacted \$1.66 billion for Reclamation in its final FY2020 enacted appropriations bill (Division C of the Further Consolidated Appropriations Act, 2020 (P.L. 116-94)). **Figure 1** shows the last six fiscal

years of appropriations levels for Reclamation compared with the FY2021 President’s budget request.

Figure 1. Reclamation Appropriations by Account, FY2015-FY2020, and the FY2021 Budget Request (nominal \$ in millions)



Source: CRS, based on Reclamation’s FY2021 budget request and enacted appropriations data.

Note: Does not reflect offsetting receipts for the Central Valley Project Restoration Fund (CVPRF).

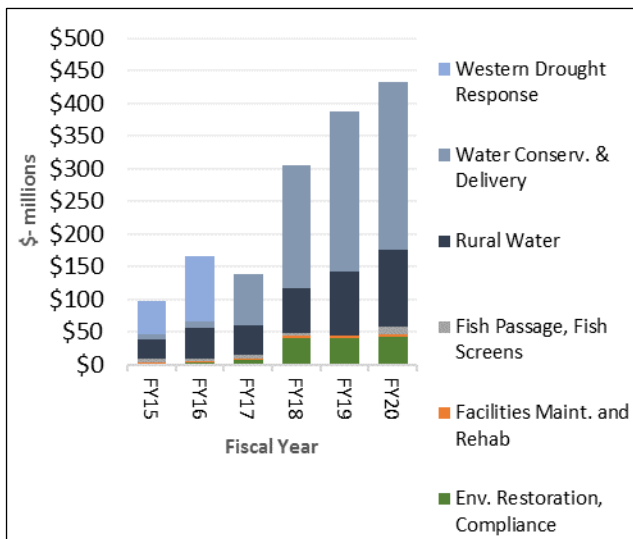
Earmarks and Reclamation

The Water and Related Resources account consists largely of individual project funding lines. Since the 112th Congress, these projects have been subject to earmark moratoriums that restrict Congress from funding geographically specific project line items that the Administration did not request. In lieu of these additions, since FY2014, Congress has included additional funding in appropriations bills beyond the President’s budget request for selected categories of Reclamation projects. These funds typically are allocated in work plans produced by the Administration and made available several months after appropriations bills have been enacted. Work plans are available at <http://www.usbr.gov/budget/>.

Work plans pursuant to recent enacted appropriations bills have continued the practice of providing additional funds for allocation on specific projects. This funding has generally increased over time (**Figure 2**). FY2020 enacted appropriations for Reclamation provided \$433 million for projects in the following five categories: rural water; water conservation and delivery; environmental restoration or compliance; fish passage and screens; and facilities operation, maintenance, and rehabilitation.

Figure 2. Reclamation Additional Funding Categories, FY2015-FY2020

(nominal \$ in millions)



Source: CRS, based on enacted appropriations data.

Reclamation Appropriations Issues

WIIN Act Section 4007 Funding

Reclamation has constructed few new water storage projects since the 1970s. Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) authorized a new process and financing structure for Reclamation to study and construct new or expanded federal and nonfederal water storage projects. For a project to receive funding under this authority, it must be recommended by the Administration and named by Congress in enacted appropriations legislation. The authority first received funding in FY2017 appropriations. In 2018 reporting to Congress, Reclamation recommended seven projects to receive \$35 million in FY2017 appropriations; Congress agreed to these recommendations in enacted FY2018 appropriations and appropriated \$134 million in additional funds for Section 4007 that same year. In FY2019, Reclamation received another \$134 million for Section 4007 projects. As with the FY2017 funds, these funds required future project-level allocations and approval in appropriations acts.

In February 2019, Reclamation recommended another round of projects in three states to receive prior year (FY2017 and FY2018) funds: Shasta Dam and Reservoir Enlargement (CA); Del Puerto Water District Feasibility Study (CA); Los Vaqueros Phase 2 Feasibility Study (CA); Sites Reservoir Feasibility Study; Friant-Kern Subsidence Correction Feasibility Study (CA); Cle Elum Pool Raise (WA); and Boise River Basin Feasibility Study (ID). FY2020 enacted appropriations approved these funding recommendations, with the exception of the Shasta Dam Raise Project, which received no Section 4007 funding. Congress also appropriated an additional \$134 million for Section 4007 projects in FY2020. Thus, the majority of funding under this authority (including all of the funding appropriated in FY2019 and FY2020) has yet to be allocated by the Administration and approved by Congress. For more information, see CRS In Focus IF10626,

Reclamation Water Storage Projects: Section 4007 of the Water Infrastructure Improvements for the Nation Act.

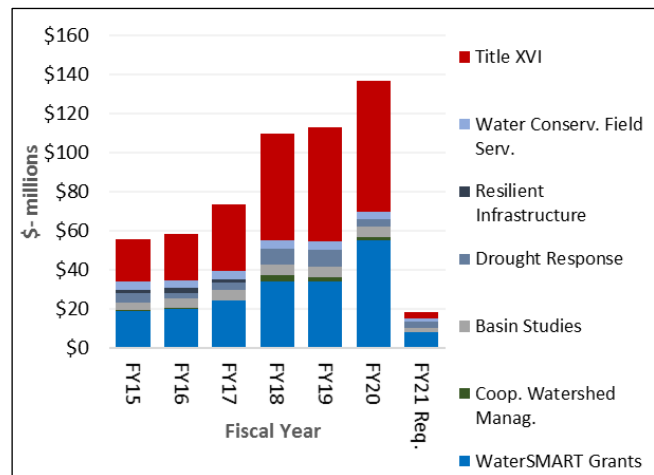
WaterSMART Program

Reclamation combines funding for multiple programs promoting water conservation into a single program—WaterSMART. WaterSMART is notable for its departure from Reclamation’s traditional federal project-based funding. In recent years, WaterSMART has included funding for seven programs. The largest sub-programs in the initiative are WaterSMART grants (i.e., water and related energy efficiency projects) and Title XVI projects (i.e., water recycling and reuse projects).

For FY2021, the Administration requested a total of \$18 million for the WaterSMART program, \$119 million below the FY2020 enacted level of \$137 million (Figure 3).

Figure 3. Reclamation WaterSMART Program, FY2015-FY2020, and the FY2021 Budget Request

(nominal \$ in millions)



Source: CRS, based on Reclamation budget request and enacted appropriations data.

Rural Water Supply and Indian Water Rights Settlements

Congress authorized Reclamation to build projects that provide water supplies to rural communities and Indian tribes. The FY2021 President’s budget requested \$30 million for five authorized rural water projects. This is \$115 million less than the FY2020 enacted level, which provided \$117 million in “additional funds” to be allocated to individual projects in an FY2020 Work Plan (see previous section, “Earmarks and Reclamation”). For Indian Water Rights Settlements, the FY2021 President’s budget requested \$86 million in discretionary funds for construction activities to implement four authorized Indian water rights settlements. In addition to this funding, some of these settlements are expected to draw on available mandatory funding to support settlement implementation. For more information, see CRS Report R44148, *Indian Water Rights Settlements*.

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