



June 15, 2021

Bureau of Reclamation: FY2022 Appropriations

Overview

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

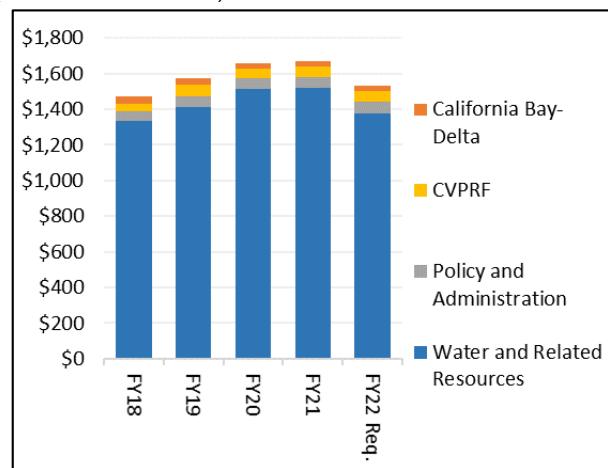
Reclamation’s role has evolved, and its focus gradually has shifted from construction of new water storage projects to operation and maintenance of existing projects. Reclamation also has expanded into new areas, including funding for water supply projects on tribal lands and in rural areas under congressionally 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, dams safety, ecosystem restoration, Indian water rights settlements, and most 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 Appropriations and FY2022 Budget Request

President Biden’s budget request for FY2022 proposed \$1.38 billion in gross current authority (i.e., appropriations before offsets) for Reclamation. In the FY2021 Energy and Water Development Appropriations Bill (Division D of P.L. 116-260), Congress included \$1.69 billion in the final enacted bill. This is consistent to prior years, in which the Administration request is commonly less than the final enacted total for Reclamation. **Figure 1** shows recent enacted appropriations levels for Reclamation compared with FY2022 requested funding.

Figure 1. Reclamation Appropriations by Account: FY2018-FY2021 and FY2022 Budget Request
(nominal \$ in millions)



Source: Congressional Research Service, based on Reclamation’s FY2022 budget request and FY2018-FY2021 enacted appropriations.

Notes: Req. = Request. Does not reflect offsetting receipts for the Central Valley Project Restoration Fund (CVPRF).

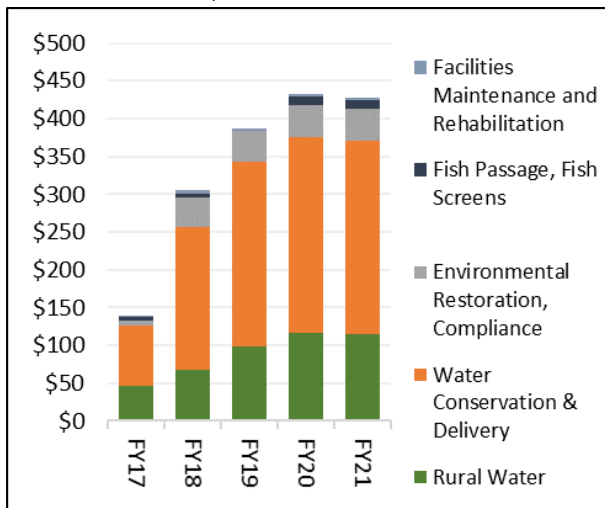
Earmarks and Reclamation

The Water and Related Resources account consists largely of individual project funding lines. During the 112th-116th Congresses, these projects were subject to earmark moratoriums that restricted Congress from funding geographically specific project line items that the Administration did not request. In lieu of these additions, Congress included “additional funding” amounts for selected categories of Reclamation projects (e.g., additional funding for “water conservation and delivery”). The Administration allocates these funds in work plans made available several months after Congress enacts appropriations bills. Prior work plans are available at <http://www.usbr.gov/budget/>.

Additional funding amounts provided by Congress for Reclamation increased each year from FY2017 to FY2020 (**Figure 2**). For FY2021, Congress provided Reclamation with \$428 million in additional funding, or slightly less than the FY2020 enacted level for additional funding. In FY2022 appropriations, the 117th Congress has indicated an intent to include some amount of “community project funding” for agencies; this would be the first site-specific funding provided since the aforementioned moratoriums went into effect. However, it is unclear how many Reclamation projects will receive this funding from Congress, and/or whether (and to what extent) Congress may continue to provide additional funding amounts at the category level in a similar manner to recent years.

Figure 2. Reclamation Additional Funding in Enacted Appropriations, FY2017-FY2021

(nominal \$ in millions)



Source: CRS, based on appropriations data.

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 a project to receive funding that Congress previously appropriated under this authority, the Administration must recommend it for funding, and Congress must mention the project by name in enacted appropriations legislation. From FY2017 to FY2021, Congress appropriated \$603 million for these projects (including \$134 million in enacted appropriations for FY2021). Of these appropriations, Reclamation has recommended and Congress has approved by name approximately \$306 million for 12 individual projects in 3 states (9 in California, 2 in Washington, and 1 in Idaho). To date, Congress has rejected Administration-recommended funding for one project: the Shasta Dam and Reservoir Enlargement Project in California.

The WIIN Act required that in order to be eligible for construction funding under Section 4007, Reclamation must find a project feasible prior to January 1, 2021. Reclamation found seven projects feasible prior to this deadline. In 2021, Reclamation may recommend some or all of the remaining \$303 million in prior year Section 4007 appropriations for funding of ongoing Section 4007 projects. Congress also may consider whether to provide additional appropriations in FY2022 for future allocation on Section 4007 projects.

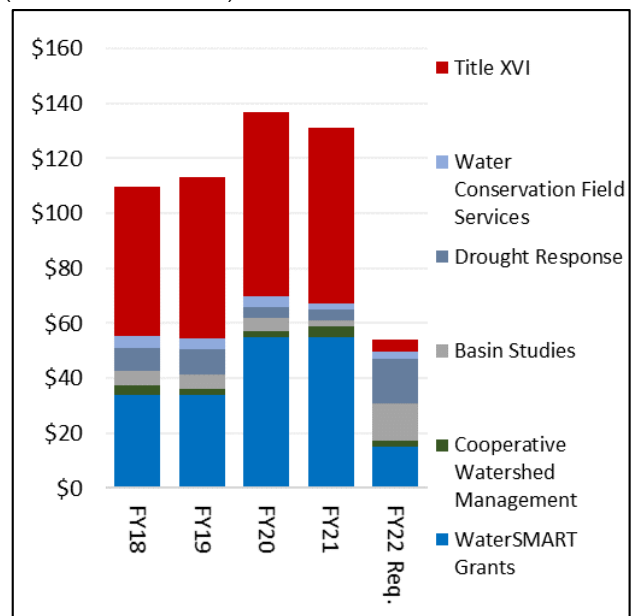
WaterSMART Program

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). For FY2022, the Biden Administration requested \$54 million for the WaterSMART program (see Figure 3 for a request breakdown across

subprograms). In FY2021, Congress provided \$131 million for WaterSMART programs in P.L. 116-260.

Figure 3. Reclamation WaterSMART Program: FY2017-FY2021 and FY2022 Budget Request

(nominal \$ in millions)



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

Indian Water Rights Settlements and Rural Water Supply

Congress has authorized Reclamation to build projects as part of settlements for Indian water rights claims and to provide water supplies to rural communities. For Indian water rights settlements, the Biden Administration is requesting \$137.7 million for four construction projects, including funding above FY2021 enacted levels for the Aamodt and Blackfeet Settlements, as well as the Navajo-Gallup Water Supply Project. Reclamation also receives mandatory funding for some of these projects. The FY2022 President’s budget requested \$93 million for six authorized rural water projects. In recent years, Congress provided additional funding above budget requests for rural water projects.

Additional Reading

CRS Report R46303, *Bureau of Reclamation: History, Authorities, and Issues for Congress*

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

CRS Report R44148, *Indian Water Rights Settlements*

CRS Report R46308, *Bureau of Reclamation Rural Water Projects*

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