

June 3, 2022

# Bureau of Reclamation: FY2023 Budget and Appropriations

## Overview

The Bureau of Reclamation (Reclamation), part of the Department of the Interior, is responsible for the construction and operation of hundreds of large dams and water diversion structures in the 17 western reclamation states designated in statute by Congress. These projects provide water to approximately 10 million acres of farmland and 31 million people. Reclamation is the largest wholesale supplier of water in these 17 states and the second-largest hydroelectric power producer in the nation. Reclamation's mission areas and geographic scope are narrower than those of the other principal federal water resource agency, the U.S. Army Corps of Engineers.

Reclamation has evolved since its creation in 1902; its focus has shifted from construction of new water storage projects to operation and maintenance of existing projects. Reclamation also has expanded into new areas, such as funding for water projects on tribal lands and in rural areas, respectively. Congress also has authorized new Reclamation grants for nonfederal projects, including those for water reuse and recycling, desalination, conservation and efficiency, and restoration, among other purposes.

Reclamation's Water and Related Resources account funds most agency activities, including construction, operation and maintenance, dam 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 Policy and Administration.

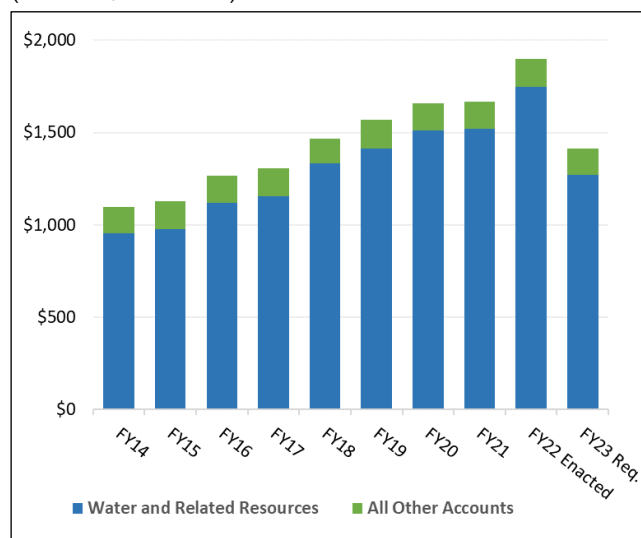
## FY2023 Budget Request and Context

The Administration request is usually less than the final enacted total for Reclamation. For FY2023, President Biden requested \$1.41 billion in gross current budget authority (i.e., appropriations before offsets) for Reclamation. In FY2022, the final enacted bill, P.L. 117-103, Division D, included \$1.90 billion. **Figure 1** shows enacted appropriations levels since FY2014 for Reclamation's largest account (Water and Related Resources), as well as its smaller accounts.

In addition to regular appropriations, Reclamation received supplemental appropriations on two occasions in 2021. First, in late September 2021, Congress included \$210 million in FY2022 supplemental funding in the continuing appropriations bill (P.L. 117-43) for Reclamation to combat western drought and wildfire. Then, in October 2021, Congress enacted \$8.30 billion in supplemental appropriations for various Reclamation programs under the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). This funding is to be made available in equal installments

for each of the five fiscal years from FY2022 to FY2026 (i.e., \$1.66 billion per year).

**Figure 1. Reclamation Annual Appropriations: FY2014-FY2022 Enacted and FY2023 Request**  
(nominal \$ in millions)



**Sources:** Congressional Research Service (CRS), based on FY2014-FY2022 enacted appropriations and the FY2023 budget request.

**Notes:** Does not include supplemental funding for drought and infrastructure that was enacted in 2021. Also does not include offsetting receipts for the Central Valley Project Restoration Fund.

## Earmarks and Reclamation

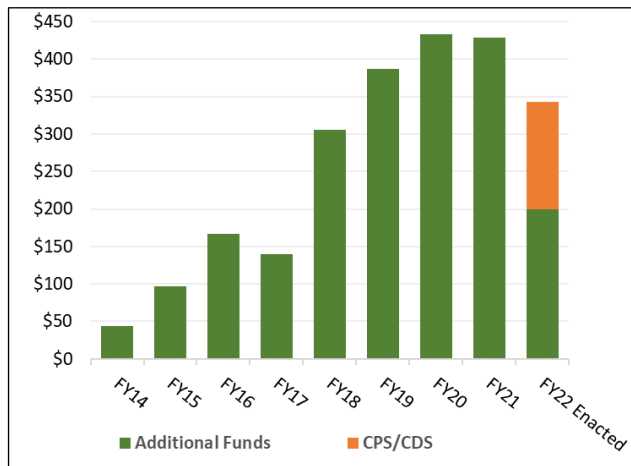
Most of Reclamation's budget goes to projects rather than programs, and the Water and Related Resources account consists largely of individual project funding lines. During the 112<sup>th</sup>-116<sup>th</sup> Congresses, Reclamation appropriations were subject to general "earmark moratoriums" that restricted Congress from funding geographically specific project line items not requested by the Administration. Instead, Congress included "additional funding" amounts for selected categories of Reclamation projects, typically in five categories: Rural Water, Water Conservation and Delivery, Environmental Restoration and Compliance, Fish Passage/Fish Screens, and Facilities Maintenance and Rehabilitation. The Administration recommended allocations of these funds for specific projects in spend plans made available several months after enactment of the appropriations bills. (Spend plans are available at <http://www.usbr.gov/budget/>)

In FY2022, Congress included the first member-requested "earmarks" since the 111<sup>th</sup> Congress. These funds were categorized as *community project funding* or *congressionally directed spending*. The appropriations committees have once again invited these proposals for

FY2023. Congress also continued to fund the aforementioned additional funding categories, albeit at lower levels than for FY2018-FY2021 (**Figure 2**).

**Figure 2. Reclamation Additional Funds from Congress, FY2014-FY2022**

(nominal \$ in millions)



**Sources:** CRS, based on FY2014-FY2023 enacted appropriations.

**Notes:** CPS/CDS=Community Project Spending/Congressionally Directed Spending.

## 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 projects to receive funding, first Congress must appropriate funds under this authority. Then, the Administration must recommend specific projects for funding and Congress must decide whether to approve the recommendations in enacted appropriations legislation. From the first appropriations under the WIIN Act (FY2017) through FY2022, Congress appropriated \$720 million in regular appropriations for these projects (including \$117 million for FY2022 under the Additional Funding category). To date, Congress has rejected Administration-requested funding for one project: the Shasta Dam and Reservoir Enlargement Project in California.

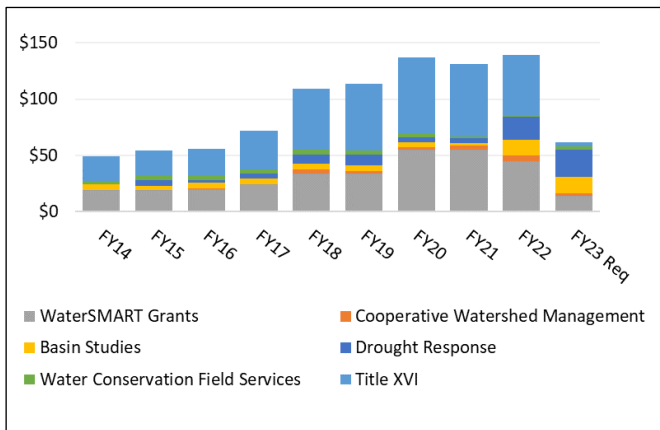
Reclamation recommends funding for Section 4007 projects apart from its annual budget request. In July 2021, Reclamation recommended six projects to receive \$206 million in prior year appropriations. Congress agreed to these allocations in P.L. 117-43. As of May 2022, Congress had approved Reclamation recommendations for 13 projects: 10 in California, 2 in Washington, and 1 in Idaho. Congress also included \$1.05 billion in supplemental funding for water storage projects in the IJA, most of which is expected to be used for 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 FY2023, the Biden Administration requested \$62 million for the WaterSMART program (**Figure 3**).

**Figure 3. Reclamation WaterSMART Program: FY2014-FY2022 Enacted and FY2023 Budget Request**  
(nominal \$ in millions)



**Source:** CRS, based on FY2014-FY2022 enacted appropriations, the FY2023 budget request, and FY2022 Appropriations Committee data.

## Western Drought

Much of the western United States is facing extraordinary drought conditions, and several Reclamation programs address drought in these areas. For FY2022, Congress approved additional drought funding (i.e., funding in addition to “base” funding) of \$200 million in P.L. 117-43, while also enacting “base” funding for drought programs in regular appropriations later in the year. The FY2023 budget request includes funding for Reclamation programs addressing drought in specific areas, such as funding for the Colorado River Drought Contingency Plans (\$18.7 million in the Lower Colorado River Basin and \$3.7 million in the Upper Colorado River Basin) and wildlife refuge water supply purchases in California’s Central Valley (\$11.8 million), as well as general drought grant funding for the Drought Response Program (\$24.0 million).

## Additional Reading

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

CRS Report CRS Report R47032, *Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)*.

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*.

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