



March 30, 2023

## Bureau of Reclamation: FY2024 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 as designated in statute (43 U.S.C. §391). 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 (O&M) of existing projects. Reclamation also has expanded into new areas, such as funding water projects on tribal lands and in rural areas. 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, O&M, dam safety, ecosystem restoration, Indian water rights settlements, and most programmatic and grant authorities. Reclamation typically also receives 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.

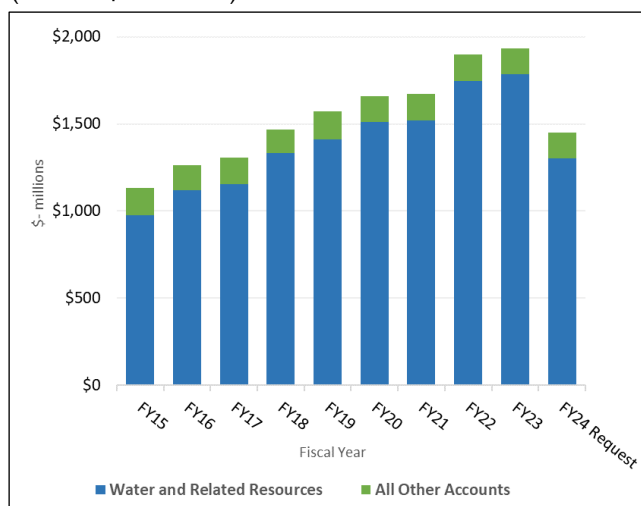
### FY2024 Budget and Appropriations

The Administration budget request for Reclamation is usually for a lower amount than the final enacted total of annual appropriations. For FY2024, the President requested \$1.45 billion in current budget authority (i.e., appropriations before offsets) for Reclamation. The Energy and Water Development and Related Agencies Appropriations Act, 2023 (Division D of the Consolidated Appropriations Act, 2023, P.L. 117-328), provided \$1.93 billion for Reclamation. **Figure 1** shows recent Reclamation annual appropriations levels.

In addition to regular appropriations, Congress has provided Reclamation with supplemental appropriations that may factor into FY2024 appropriations considerations. The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) included \$8.30 billion in supplemental appropriations for various infrastructure-focused Reclamation expenditures. This funding is to be made available in equal installments from FY2022 to FY2026 (i.e., \$1.66 billion per year). P.L. 117-169 (popularly known as the Inflation Reduction Act,

IRA) provided an additional \$4.59 billion for Reclamation, including \$4.00 billion for western drought mitigation with priority given to actions in the Colorado River Basin. IIJA funding is "no year" funding, meaning it remains available until expended; IRA funding is to remain available until FY2026 or FY2031, depending on the provision. Reclamation has been gradually allocating IIJA funding in spend plans for each fiscal year and is releasing IRA funding on a rolling basis.

**Figure 1. Reclamation Annual Appropriations from FY2015 to FY2023 and FY2024 Budget Request**  
(nominal \$ in millions)



**Source:** CRS, based on FY2015-FY2023 enacted appropriations and the FY2024 President's Budget request.

**Notes:** Does not reflect supplemental funding or offsetting receipts.

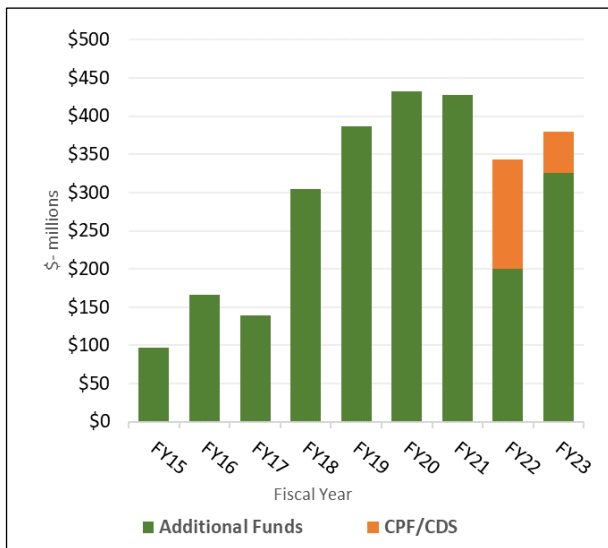
### "Earmarks" and Reclamation

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* (CPF) or *congressionally directed spending* (CDS) in the House and Senate, respectively. For FY2023, the explanatory statement for the enacted bill continued to include these funds in their recommendations for Reclamation, in addition to amounts designated as “Additional Funding.” Division D of P.L. 117-328 included \$325 million in additional funding and \$54 million in CPD/CDS (Figure 2). In FY2024, Senate and House Appropriations Committees are allowing CPF/CDS requests.

**Figure 2. Additional Funds from Congress for Reclamation Projects, FY2015-FY2023 Annual Appropriations**

(nominal \$ in millions)



**Sources:** CRS, based on FY2015-FY2023 enacted appropriations.

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

## Reclamation Appropriations Issues

### WIIN Act Section 4007 Funding

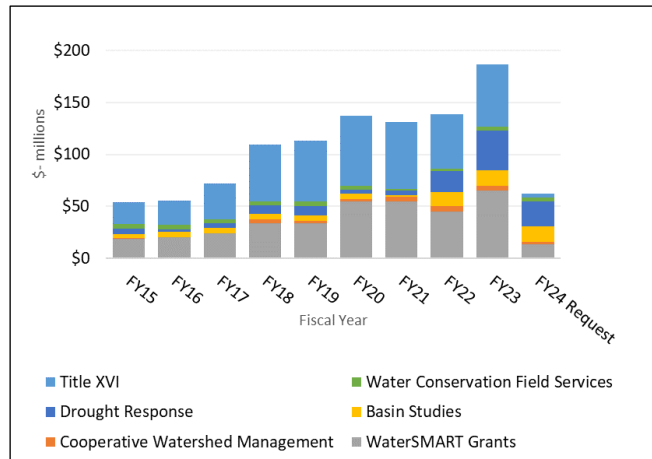
Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) authorized a new process for Reclamation to study and construct federal and nonfederal water storage projects. For projects to receive funding under Section 4007, first Congress must appropriate funds under this authority. Then the Administration must recommend specific projects to fund and Congress must decide whether to approve the recommendations in enacted appropriations legislation.

From FY2017 through FY2023, Congress appropriated \$854 million in regular appropriations for these projects. Reclamation has allocated and Congress has approved \$511 million of this funding for 13 projects in three states: 10 in California, 2 in Washington, and 1 in Idaho. In FY2023 enacted appropriations for Reclamation, Congress included \$134 million of Additional Funding amounts for future projects under Section 4007. No funding is requested for these projects in the Administration’s FY2024 budget.

### 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). FY2023 annual appropriations provided \$191 million for WaterSMART. In the FY2024 Budget Request, the Biden Administration proposed \$63 million for the WaterSMART program.

**Figure 3. WaterSMART Program: FY2015-FY2023 Annual Appropriations and FY2024 Budget Request**  
(nominal \$ in millions)



**Source:** CRS, based on FY2015-FY2023 enacted appropriations and the FY2024 President’s Budget request.

### Indian Water Rights Settlements

The FY2024 President’s Budget proposed changes in how Reclamation funds Indian water rights settlements. For the first time in decades, the budget proposed no discretionary funding for construction of projects for these settlements, noting funding needs could be met by mandatory funding available from the Reclamation Water Settlements Fund and the Indian Water Rights Settlement Completion Fund. The Administration also proposed two new mandatory funds. The first would provide \$2.5 billion to support additional funding for new and amended settlements. The other fund would provide \$340 million over 10 years to address ongoing operation, maintenance, and repairs associated with existing Indian water rights settlements. Both funds would require congressional authorization.

### Additional Reading

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 (WIIN) Act*.

CRS Report R44148, *Indian Water Rights Settlements*.

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