



May 9, 2024

## Bureau of Reclamation: FY2025 Budget and Appropriations

The Bureau of Reclamation (Reclamation), part of the Department of the Interior, is primarily 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). 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’s Water and Related Resources account funds most agency activities, including construction, operations and maintenance, dam safety, and Indian water rights settlements, as well as the agency’s programmatic and grant authorities (including those for water reuse and recycling, desalination, conservation and efficiency, and aquatic ecosystem restoration, among other purposes). 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.

### FY2025 Budget and Appropriations

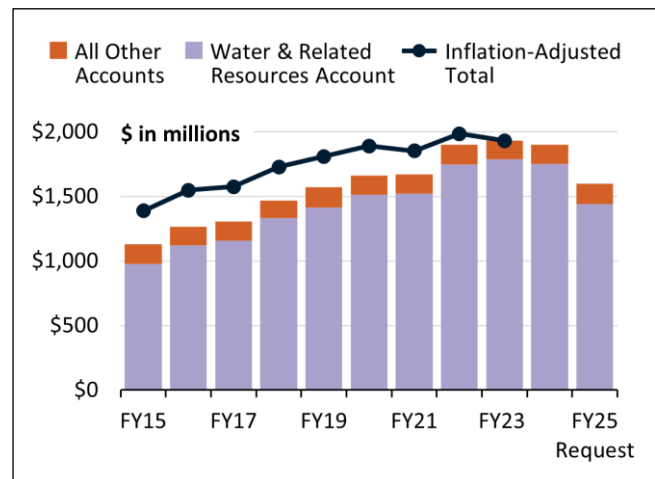
The Administration usually requests a lower amount for Reclamation than the final enacted total of annual appropriations. For FY2025, the President requested \$1.599 billion in current budget authority (i.e., appropriations before offsets) for Reclamation, or \$301 million less than the \$1.900 billion provided by Congress in the Consolidated Appropriations Act, FY2024 (P.L. 118-42). The majority of Reclamation’s funding is for the Water and Related Resources Account. **Figure 1** shows recent Reclamation annual appropriations levels (not including offsets or offsetting receipts).

In addition to regular annual appropriations, Congress has provided Reclamation with supplemental appropriations, which will augment discretionary funding by approximately \$2.500 billion in FY2025. The Infrastructure Investment and Jobs Act (P.L. 117-58) included \$8.300 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., \$1.660 billion per year) and is *no year* funding, meaning it remains available until expended. P.L. 117-169 (popularly known as the Inflation Reduction Act of 2022, or IRA) provided an additional \$4.590 billion for Reclamation, including \$4.000 billion for western drought mitigation, with priority given to actions in the Colorado River Basin. IRA funding is to remain available until FY2026 or FY2031, depending on the provision.

Reclamation has been allocating these funds on a rolling basis.

**Figure 1. Reclamation Annual Appropriations from FY2015 to FY2024 and FY2025 Budget Request**

Figure is interactive in the HTML version of this In Focus.



**Source:** CRS, based on FY2015-FY2024 appropriations and FY2025 budget request. Inflation adjustment based on Office of Management and Budget (OMB) FY2025 Budget, Historical Table 10.1.

**Notes:** Amounts do not reflect supplemental funding or offsetting receipts.

### Additional Funding and “Earmarks”

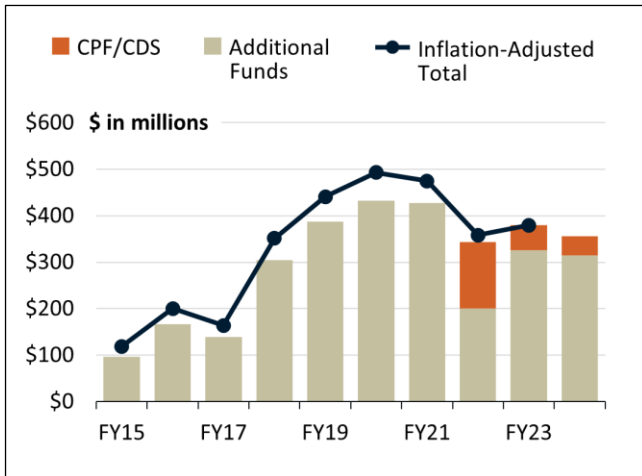
Reclamation’s Water and Related Resources account consists largely of individual project funding lines. During the 112<sup>th</sup>-116<sup>th</sup> Congresses, Reclamation appropriations were subject to general *earmark moratoriums* that restricted Congress from funding geographically specific project 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 allocated these funds for specific projects in spend plans made available several months after enactment of the appropriations bills.

In the 117<sup>th</sup> and 118<sup>th</sup> Congresses, appropriations recommendations have included earmarks (now categorized as *community project funding* (CPF) or *congressionally directed spending* (CDS) in the House and Senate, respectively). Congress has recommended funding CPF/CDS items in Reclamation’s Water and Related Resources account, in addition to amounts designated as Additional Funding (**Figure 2**). In P.L. 118-42, Congress included \$315 million in Additional Funding and \$41

million in CPF/CDS for FY2024. For FY2025, the House and Senate Appropriations committees invite Members of Congress to request CPF and CDS items, respectively, including under Reclamation’s Water and Related Resources Account.

**Figure 2. Congressionally Added Funding in Reclamation Annual Appropriations: FY2015-FY2024**

Figure is interactive in the HTML version of this In Focus.



**Source:** CRS, based on FY2015-FY2024 appropriations and FY2025 budget request. Inflation adjustment based on OMB FY2025 Budget Historical Table I0.1.

**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 process for Reclamation to study and construct federal and nonfederal water storage projects. For projects to receive funding under Section 4007, first Congress appropriates funds under this authority. Then, the Administration recommends specific projects to fund using those appropriations. Congress is then to decide whether to approve these recommendations in enacted appropriations legislation.

From FY2017 through FY2023, Congress provided \$854 million in regular appropriations for these projects. Congress has approved Administration recommendations for 13 projects in California, Washington, and Idaho totaling \$609 million. In July 2023, the Administration requested approval of funding for one project (\$206 million for Sites Reservoir in California). This recommendation was approved in P.L. 118-42. Congress also appropriated another \$134 million for future project allocations in the act.

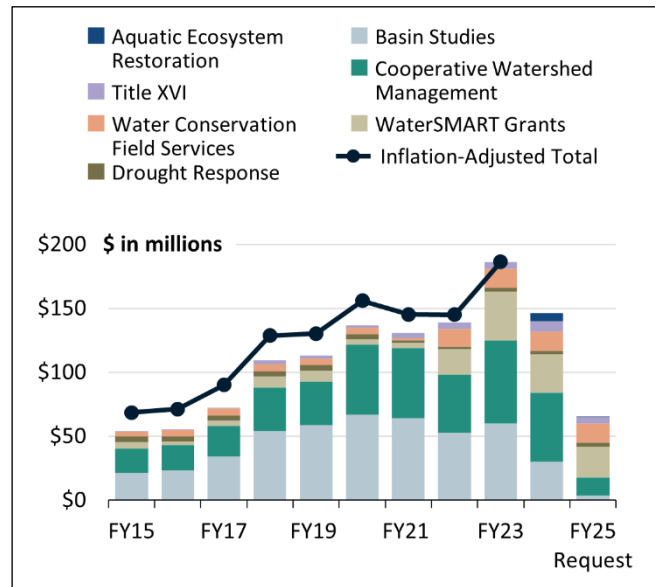
### WaterSMART Program

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 and Title XVI projects (i.e., water recycling and reuse projects). In P.L. 118-42, Congress provided \$141 million for the Reclamation WaterSMART program in FY2024. For FY2025, the President’s budget requests \$66 million for the WaterSMART program, a decrease of \$75 million from the FY2024 enacted level (Figure 3).

**Figure 3. WaterSMART Program: Annual Appropriations from FY2015 to FY2024 and FY2025 Budget Request**

Figure is interactive in the HTML version of this In Focus.



**Source:** CRS, based on FY2015-FY2024 appropriations and FY2025 budget request. Inflation adjustment based on OMB FY2025 Budget, Historical Table I0.1.

### Additional Reading

CRS Report R47032, *Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)*, by Charles V. Stern and Anna E. Normand

CRS In Focus IF12437, *Bureau of Reclamation Funding in the Inflation Reduction Act (P.L. 117-169)*, by Charles V. Stern and Anna E. Normand

CRS In Focus IF12414, *Bureau of Reclamation WaterSMART Program*, by Charles V. Stern and Anna E. Normand

CRS Report R47987, *Bureau of Reclamation Support for Water Storage Projects*, by Charles V. Stern

CRS Report R44148, *Indian Water Rights Settlements*, by Charles V. Stern

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