

July 17, 2025

## Bureau of Reclamation: FY2026 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.

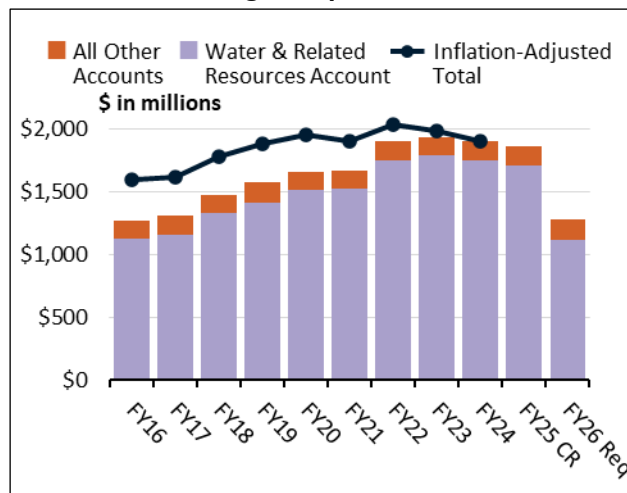
Reclamation's Water and Related Resources account funds most agency activities, including construction, operations and maintenance, dam safety, and Indian water rights settlements, as well as the agency's programmatic and grant authorities. These authorities cover water reuse and recycling, desalination, 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.

### FY2026 Budget and Appropriations

The Administration usually requests a lower amount for Reclamation than the final enacted total of annual appropriations. For FY2026, President Trump requested the lowest funding level for Reclamation since the FY2017 budget request. The FY2026 budget proposes \$1.273 billion in current budget authority for Reclamation, or \$587 million (32%) less than the \$1.860 billion Congress approved for FY2025 in the Full-Year Continuing Appropriations and Extensions Act, 2025 (P.L. 119-4, also referred to as the full-year continuing resolution [CR]).

In addition to regular annual appropriations, Congress has provided Reclamation with supplemental appropriations in three separate bills over the past five years, all of which would augment discretionary funding in FY2026. The Infrastructure Investment and Jobs Act (P.L. 117-58) included \$8.30 billion total, to be made available in equal installments from FY2022 to FY2026 (i.e., \$1.660 billion per year). Separately, P.L. 117-169 (popularly known as the Inflation Reduction Act of 2022, or IRA) provided Reclamation with \$4.590 billion in funding, including \$4.0 billion for western drought mitigation. IRA funding is to remain available until FY2026 or FY2031, depending on the provision, and is being obligated on a rolling basis. Most recently, the One Big Beautiful Bill Act (P.L. 119-21) appropriated another \$1.0 billion to Reclamation for FY2025 (available through FY2034) for projects that increase the capacity of Reclamation surface water storage projects.

**Figure 1. Reclamation Annual Appropriations, FY2016-FY2026 Budget Request**



**Source:** CRS, based on FY2017-FY2025 enacted appropriations and FY2026 budget request. Inflation adjustment to FY2024 dollars based on Office of Management and Budget (OMB) FY2026 Budget, Historical Table 10.1.

**Notes:** Amounts do not reflect supplemental funding or offsetting receipts. CR = P.L. 119-4.

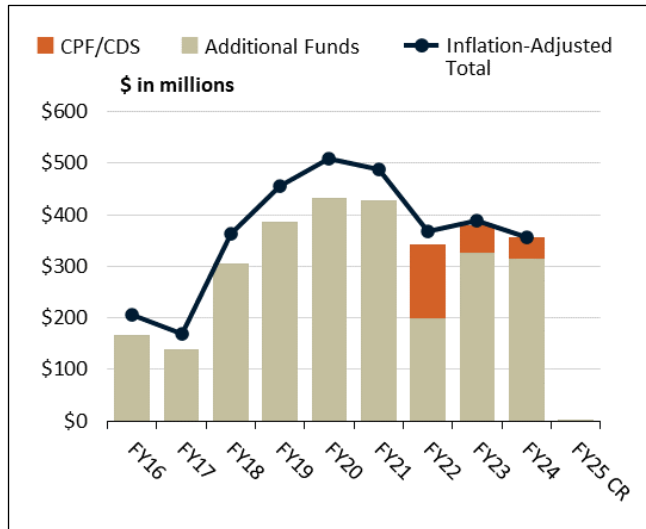
### Additional Funding and "Earmarks"

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 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*. For FY2025 appropriations, H.R. 8997 recommended \$279 million for Additional Funding and \$9 million in CPF, while S. 4927 recommended \$287 million in Additional Funding and \$63 million for CDS. P.L. 119-4 approved no new CPF/CDS projects for FY2025 and

reduced Reclamation's total Water and Related Resources Account appropriation by \$41 million (i.e., the FY2024 total for CPF/CDS projects). Recent CPF/CDS and Additional Funding levels are shown below in **Figure 2**.

**Figure 2. Congressionally Added Funding in Reclamation Annual Appropriations, FY2016-FY2025**



**Source:** CRS, based on FY2016-FY2025 appropriations. Inflation adjustment to FY2024 dollars based on OMB FY2026 Budget Historical Table 10.1.

**Notes:** CPF/CDS = community project funding/congressionally directed spending. CR = P.L. 119-4.

## 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, Congress first appropriates funds under this authority. Then, the Administration recommends specific projects to fund using those appropriations. Congress approves these recommendations by project in enacted appropriations legislation.

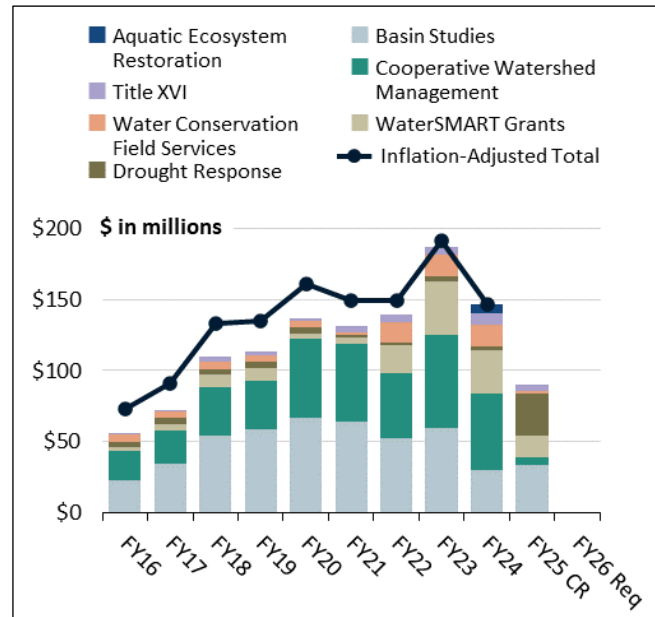
From FY2017 through FY2025, Congress provided approximately \$988 million in regular appropriations for these projects. Congress has approved Administration recommendations for \$948 million of this funding for 13 projects in California, Washington, and Idaho. In FY2025, the Administration's operating plan for the full-year CR included \$50 million in new Section 4007 project funding for future allocations. The FY2026 request includes no funding 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 subprograms include WaterSMART Grants; Title XVI projects (i.e., water recycling and reuse projects); the Drought Response Program; Water Conservation Field Services; the Cooperative Watershed Management

Program; Basin Studies; and Aquatic Ecosystem Restoration Grants. In its operating plan for FY2025, the Administration allocated \$90 million for the WaterSMART program, a \$57 million decrease from the FY2024 enacted amount. For FY2025, the President's budget requested no funding for any of the programs under WaterSMART.

**Figure 3. WaterSMART Program: Annual Appropriations from FY2016-FY2026 Budget Request**



**Source:** CRS, based on FY2016-FY2025 appropriations and FY2026 budget request. Inflation adjustment to 2024 dollars based on OMB FY2026 Budget, Historical Table 10.1.

**Notes:** Amounts do not reflect supplemental funding. CR = P.L. 119-4.

## Additional Reading

- CRS In Focus IF12661, *Bureau of Reclamation: FY2025 Budget and Appropriations*, by Charles V. Stern
- 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 and Mariel J. Murray

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