

Updated December 15, 2025

Bureau of Reclamation: FY2026 Budget and Appropriations

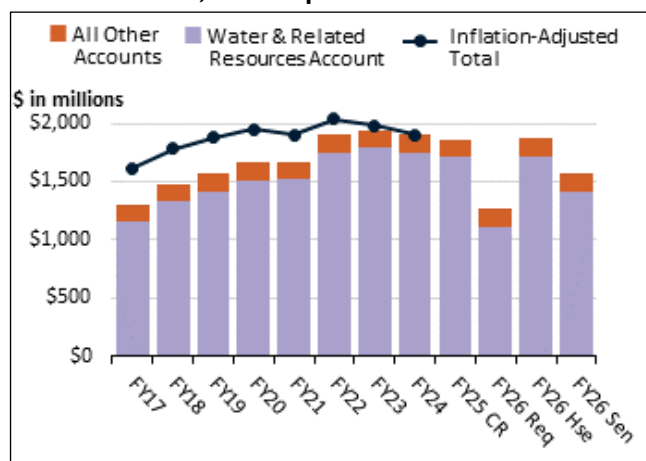
The Bureau of Reclamation (Reclamation), part of the Department of the Interior, is responsible for the construction and operation of hundreds of large dams and water diversion structures in the 17 western Reclamation States, as designated in statute (43 U.S.C. §391). Reclamation is the largest wholesale supplier of water in these 17 states and the second-largest hydroelectric power producer in the nation.

Reclamation's Water and Related Resources account funds most agency activities, as well as the agency's programmatic and grant authorities (e.g., water reuse and recycling, desalination, and conservation/efficiency, among other purposes). Reclamation 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

Administrations typically have requested a lower amount for Reclamation than the final enacted total of annual appropriations. The FY2026 budget proposed \$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; the full-year continuing resolution [CR]). The House-passed FY2026 Energy and Water (E&W) Appropriations bill (H.R. 4553) and the Senate-introduced FY2026 E&W Appropriations bill (S. 3293) both would provide more funding than the Administration's budget request for Reclamation (**Figure 1**).

Figure 1. Reclamation Annual Appropriations, FY2016-FY2025, and Proposed Levels for FY2026



Source: CRS, based on enacted appropriations, FY2026 budget request (FY26 Req), H.R. 4553 (FY26 Hse), S. 3293 (FY26 Senate).

Inflation adjustment based on FY2026 Budget Request, Historical Table 10.1.

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

Additional Funding Available for FY2026

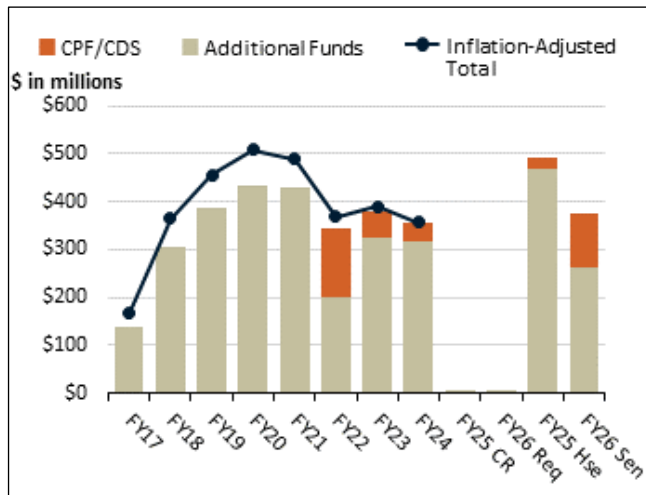
Congress approved supplemental appropriations for Reclamation in three separate bills since 2020: the Infrastructure Investment and Jobs Act (P.L. 117-58; IIJA) included \$8.3 billion total, made available in equal installments from FY2022 to FY2026 (i.e., \$1.660 billion per year); P.L. 117-169 provided Reclamation with \$4.590 billion in funding (available through FY2026 or FY2031), \$4.0 billion of which was for western drought mitigation; and P.L. 119-21 appropriated \$1.000 billion to Reclamation for FY2025 (available through FY2034) for projects that increase the capacity of Reclamation surface water storage projects. The FY2026 Senate-introduced E&W bill proposes transferring \$200 million of aging infrastructure funding in the IIJA to fund FY2026 discretionary Water and Related Resources activities.

Additional Funding and "Earmarks"

Reclamation's Water and Related Resources account consists largely of individual project funding lines. During the 112th-116th 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 specified categories of Reclamation projects, such as 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 117th and 118th Congresses, Congress has recommended earmarks (now categorized as *community project funding* [CPF] or *congressionally directed spending* [CDS] in the House and Senate, respectively), in addition to amounts designated as "Additional Funding" (i.e., funding to be allocated in subsequent work plans). For FY2025, P.L. 119-4 approved no new CPF/CDS projects. For FY2026, House and Senate proposals once again included these projects in different amounts. Recent CPF/CDS and Additional Funding levels are shown below in **Figure 2**.

Figure 2. Congressionally Added Funding in Reclamation Annual Appropriations, FY2017-FY2025, and Proposed Levels for FY2026



Source: CRS, based on enacted appropriations and FY2026 proposals. Inflation adjustment based on 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 must approve recommendations by project in enacted appropriations legislation.

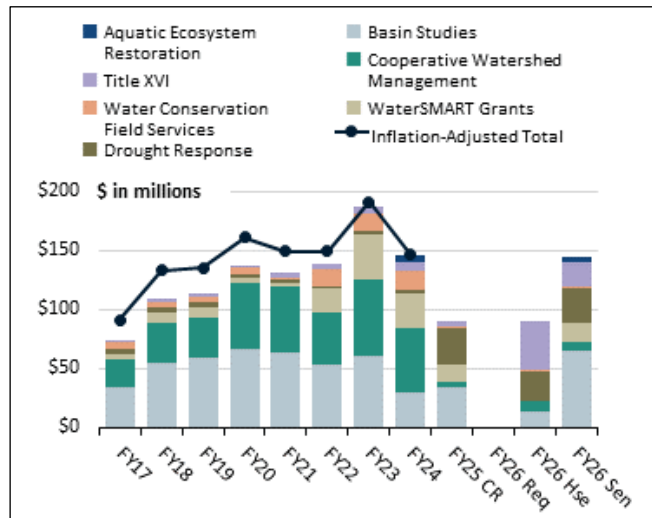
From FY2017 through FY2025, Congress provided approximately \$988 million in regular appropriations for these projects. As of late 2025, Congress had approved \$948 million of this funding for 13 projects in California, Washington, and Idaho. In FY2025, the Administration's operating plan for the full-year CR included \$50 million in new Section 4007 project funding for future allocations. The FY2026 request included no new funding for Section 4007 projects. H.R. 4553 stipulated that \$201 million in Additional Funds for Water Conservation and Delivery would go toward Section 4007 projects; the Senate Committee provided no funding for these projects in S. 3293 or in a draft report released by the Senate Appropriations Committee.

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 FY2026, the President's budget requested no funding for any WaterSMART programs, while the House and Senate Committee proposals recommended \$90 million and \$145 million, respectively (Figure 3).

Figure 3. WaterSMART Program: Annual Appropriations from FY2017 to FY2025, and Proposed Levels for FY2026



Source: CRS, based on enacted appropriations and FY2026 proposals. Inflation adjustment based on 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*
- CRS Report R47032, *Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)*
- CRS In Focus IF12437, *Bureau of Reclamation Funding in the Inflation Reduction Act (P.L. 117-169)*
- CRS In Focus IF12414, *Bureau of Reclamation WaterSMART Program*
- CRS Report R47987, *Bureau of Reclamation Support for Water Storage Projects*
- CRS Report R44148, *Indian Water Rights Settlements*

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