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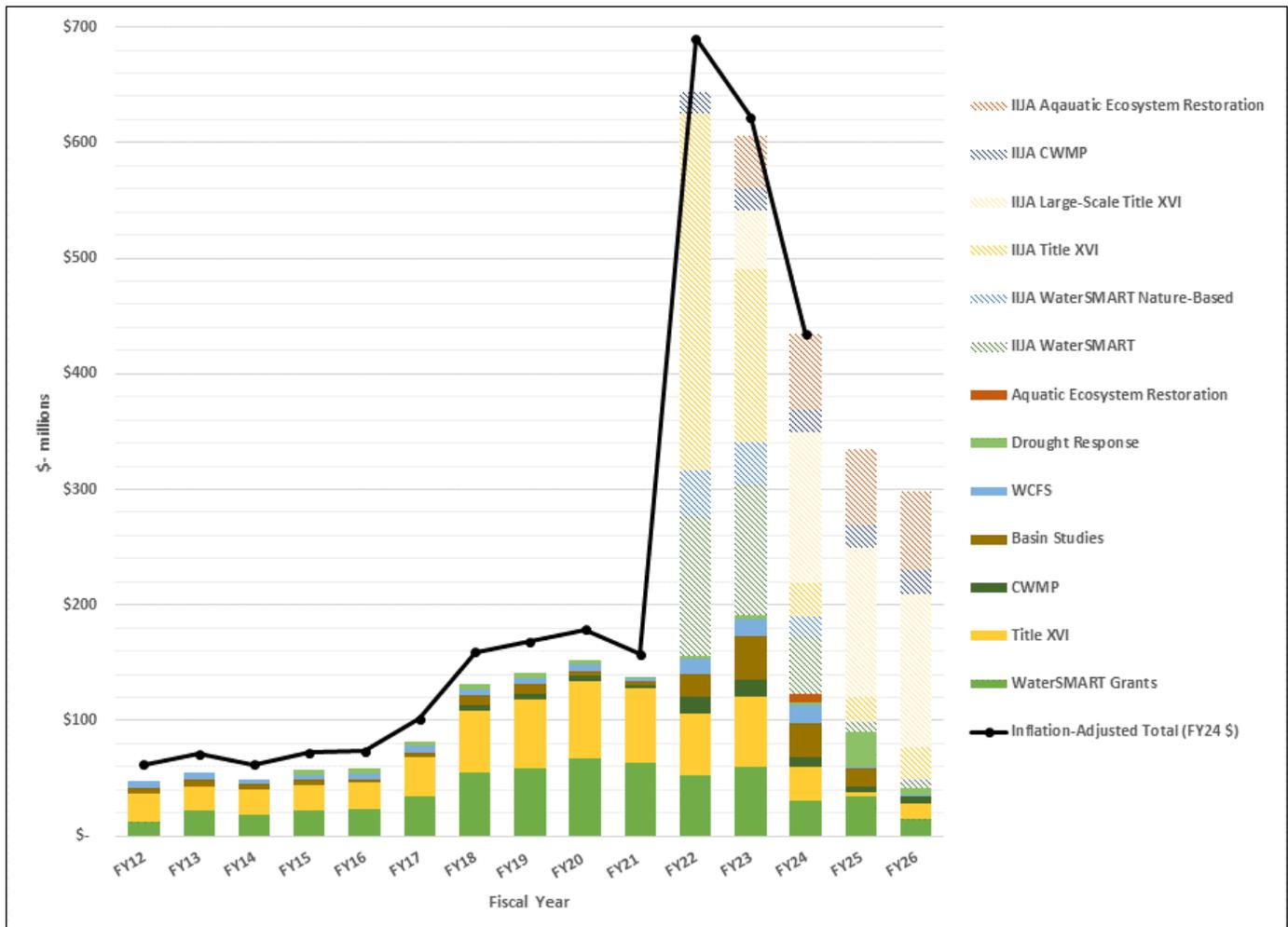
Bureau of Reclamation WaterSMART Program

The Bureau of Reclamation (Reclamation) funds programs promoting water conservation into a single program—the WaterSMART (Sustain and Manage American Resources for Tomorrow) program. The program was formally established in 2010 under Department of the Interior Secretarial Order 3297. As of 2026, WaterSMART regularly encompasses seven subprograms: WaterSMART Grants, the Title XVI Water Reclamation and Reuse (Title XVI Program), the Drought Response Program (DRP), the Basin Studies Program, the Cooperative Watershed Management Program, Water Conservation Field Services, and Aquatic Ecosystem Restoration. Unlike most traditional “Reclamation projects,” which are geographically specific authorizations, WaterSMART funding is awarded on a competitive basis, in many cases as grants. Reclamation

reported that from 2010 to 2025, it had funded \$3.86 billion in federal funding for 2,379 WaterSMART projects.

In recent years Congress provided supplemental funding for several WaterSMART subprograms (**Figure 1**), including \$1.85 billion in FY2022-FY2026 funding in the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). At the same time, regular discretionary funding for WaterSMART programs has decreased. In FY2026, the Administration requested no funding for WaterSMART, and FY2026 enacted appropriations for the program were the lowest since the program was initiated. At issue for Congress is the status of authorities and funding for WaterSMART as individual program authorities lapse and IIJA appropriations lapse.

Figure 1. WaterSMART Program, Regular and Supplemental Appropriations, FY2012-FY2026



Source: Congressional Research Service, based on enacted appropriations data.

Notes: IIJA = Infrastructure Investment and Jobs Act (P.L. 117-58); WCSFS = Water Conservation Field Services. Inflation adjustment based on FY2026 budget request, Historical Table 10.1.

WaterSMART Grants

WaterSMART grants (authorized in Section 9504 of P.L. 111-11, as amended [42 U.S.C. §10364]) provide cost-shared funding in several categories. Since its inception, the program has added to its original focus of water and energy efficiency grants, including adding small-scale water efficiency projects and water marketing strategy development (FY2017) and environmental water resources projects in (FY2022). The latter program provides grants that fund the implementation of projects (i.e., phase two) whose initial stages were funded by the Cooperative Watershed Management Program.

Eligible applicants for WaterSMART grants include domestic nonprofit conservation organizations and states, Indian tribes, and other organizations with water or power delivery authority. Applicants must be located in a Reclamation State or Territory (as identified in the Reclamation Act of 1902, as amended) or in Alaska, Hawaii, or Puerto Rico. Grant awards may not exceed \$5 million for a project, and exact award amounts vary across project categories. Most project grants limit the federal cost share to 50%, with some exceptions. In the 119th Congress, H.R. 635 would reduce tribal cost-share requirements for WaterSMART grants.

Title XVI Program

The Title XVI Program funds the study and construction of authorized nonfederal water recycling and reuse projects. The program originated with individual project authorizations in P.L. 102-575 and has expanded over time. The 2016 Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) created a new mechanism authorizing projects for federal support, whereby the Reclamation may accept and review nonfederal feasibility studies for planning, design, and construction funding of projects. Once Reclamation has approved a project's study, it is eligible to receive Title XVI funds, pursuant to specific administrative and congressional actions. In the years since the WIIN Act, this authority had resulted in administrative approval of 74 Title XVI projects as of September 2024.

Title XVI projects are authorized for the Reclamation States and Territories and for Hawaii. The federal cost share for most Title XVI projects is generally limited to the lesser of \$40 million or 25% of total project costs. In Section 40905 of the IJA, Congress added new authority for Reclamation to fund "large-scale" water recycling and reuse projects (defined as projects with total construction costs in excess of \$500 million). In contrast to other Title XVI projects, these projects can receive a federal cost share of 25%, with no dollar cap. FY2022-FY2026 IJA construction funds for these projects ranged from \$10 million to \$99 million, with the authority to expire at the end of FY2026. In the 119th Congress, S. 3738, S. 3693, H.R. 6204 and H.R. 7186 proposed reauthorization of this authority.

Drought Response Program

The DRP provides assistance to water managers dealing with drought in the West through three subprogram areas: Contingency Planning, Resiliency Projects, and Emergency Response Actions. Congress authorized emergency response and planning in the Reclamation States Drought

Relief Act of 1991 (P.L. 102-250). In Section 9504 of P.L. 111-11, Congress enacted additional authority that Reclamation uses to fund resiliency projects (i.e., on-the-ground projects that improve water management flexibility during periods of drought).

DRP project eligibility differs based on subprograms. Drought contingency planning project applicants may include Reclamation States and Hawaii, as well as tribes and organizations with water or power delivery authority located in the aforementioned areas. Resiliency project applicants generally include Reclamation States and Territories, Hawaii, and Alaska, as well as tribes, organizations with water or power delivery authority, and nonprofit conservation organizations located in the aforementioned areas. Emergency response applicants are limited to Reclamation States, Hawaii, and tribes in those states. The federal cost share for contingency planning and resiliency projects is typically limited to 50% of project costs, while emergency response actions do not require a federal cost share. Drought contingency planning projects are capped at \$200,000 in federal funding, and resiliency projects are capped at \$3 million in federal funding.

Other Authorities

Other cost-shared WaterSMART authorities include

- The Basin Studies/Applied Science Program (authorized under Section 9503 of P.L. 111-11), which funds efforts with nonfederal participants to develop adaptation strategies to address water supply and demand imbalances, including assessments of risks and impacts to water supply and demand, the development of applied science tools, and collaborative efforts to evaluate supply and demand imbalances. The program also funds reservoir operation pilots that use modeling and forecasting to optimize water management flexibility.
- The Cooperative Watershed Management Program (authorized under Section 6002 of P.L. 111-11), which funds watershed group projects that provide local solutions to address water management needs. Funding for the program is deployed for two phases, with phase one consisting of development and planning and phase two consisting of implementation.
- The Watershed Conservation Field Services Program (established administratively in 1996), which provides technical and financial assistance for the development of water conservation plans and design of water management improvements.
- The Aquatic Ecosystem Restoration Program (authorized in Section 1109 of P.L. 116-260), which provides grants for the study, design, and construction of aquatic ecosystem restoration projects to improve the health of fisheries, wildlife, and aquatic habitat.

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