



June 18, 2026

Bureau of Reclamation: FY2027 Budget and Appropriations

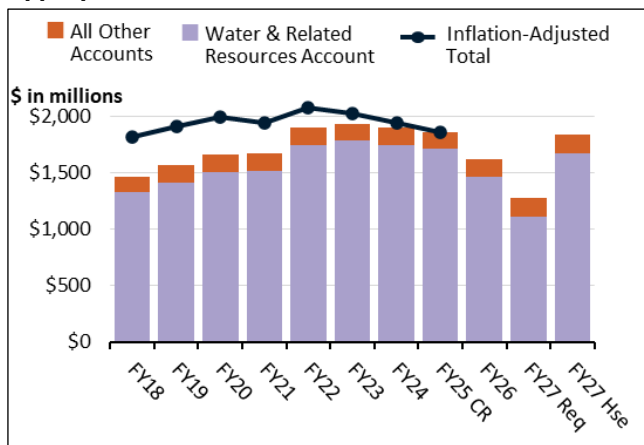
The Bureau of Reclamation (Reclamation), part of the Department of the Interior, is responsible for the construction and operation of hundreds of large dams and water diversion structures in the 17 western Reclamation States, as designated in statute (43 U.S.C. §391). Reclamation is the largest wholesale 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, conservation/efficiency). 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.

FY2027 Budget and Appropriations

Most Administrations have typically requested a lower amount for Reclamation than the final enacted total for Reclamation’s annual appropriations. The FY2027 budget proposed \$1.275 billion in current budget authority for Reclamation, or \$352 million (22%) less than the \$1.627 billion in annual discretionary appropriations that Congress approved for FY2026 in P.L. 119-74. H.R. 9022, the House-reported FY2027 Energy and Water Development and Related Agencies Appropriations bill, recommended \$1.838 billion for Reclamation (Figure 1).

Figure 1. Bureau of Reclamation Annual Appropriations, FY2018-FY2027



Source: CRS, based on FY2018-FY2026 enacted appropriations, FY2027 budget request (FY27 Req) and H.R. 9022 (FY27 Hse). Inflation adjustment based on FY2027 budget request, Historical Table 10.1.

Notes: CR= continuing resolution. Amounts do not reflect supplemental funding or offsetting receipts.

Recent Supplemental Funding

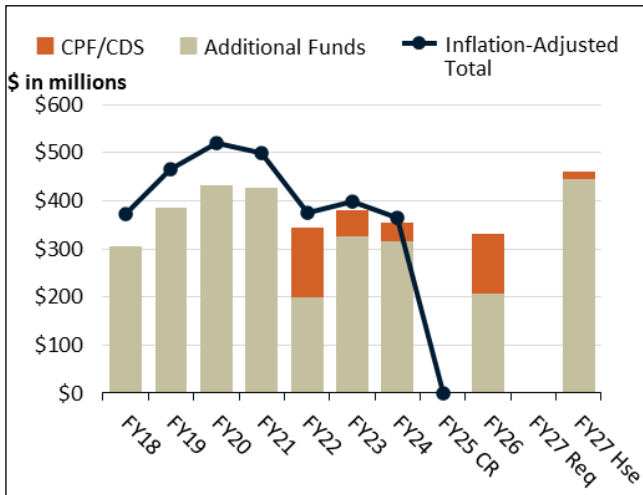
Congress has approved supplemental appropriations for Reclamation in recent years, typically with direction to prioritize and/or allocate funds toward specific types of Reclamation activities that also receive annual discretionary appropriations. The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) included \$8.3 billion for Reclamation in various categories in equal installments from FY2022 to FY2026 and available until expended. P.L. 117-169 (also known as the Inflation Reduction Act) provided Reclamation \$4.6 billion in funding (available through FY2026 or FY2031, depending on the section), including \$4.0 billion for drought mitigation. P.L. 119-21 (also referred to as the One Big Beautiful Bill Act) included \$1.0 billion for Reclamation (available through FY2034) for projects that enhance capacity at Reclamation surface water storage facilities.

Additional Funding and “Earmarks”

Reclamation’s Water and Related Resources account consists largely of individual project funding lines. During the 112th-116th Congresses, congressional *earmark moratoriums* restricted funding for project line items not requested by the Administration. Congress responded by including *additional funding* amounts for specified categories of Reclamation projects (e.g., Water Conservation and Delivery) that were allocated for specific projects in spend plans made available after enactment of the appropriations bills.

Recent Congresses have recommended earmarks—typically categorized as *community project funding* in the House or *congressionally directed spending* in the Senate—in addition to providing “additional funding” amounts above the President’s budget request (Figure 2). In FY2027, the House report (H.Rept. 119-667) included additional funding amounts for rural water (\$58 million), fish passage and fish screens (\$3 million), water conservation and delivery (\$355 million), and environmental restoration or compliance (\$28 million). For water conservation and delivery funding, House report language specified subsets of funding for emergency canal repair construction (\$50 million), Colorado River conservation (\$50 million), and Indian water rights settlements (\$50 million), plus \$205 million for Section 4007 projects (see below). The House report also included five earmarks totaling \$16.8 million.

Figure 2. Congressionally Added Funding in Bureau of Reclamation Annual Appropriations, FY2018-FY2027



Source CRS, based on FY2018-FY2026 enacted appropriations, FY2027 budget request, and H.R. 9022 (FY27 Hse). Inflation adjustment based on FY2027 budget request, Historical Table 10.1.
Notes: CPF/CDS = community project funding/congressionally directed spending. CR= continuing resolution. No additional funding or CPF/CDS were included in the FY2025 CR.

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 more than \$1.0 billion total in regular appropriations for these projects, and additional funding has been approved in supplemental appropriations (as described above in “Recent Supplemental Funding”) and allocated to specific projects. As of late 2025, Congress had approved most of this funding for 13 projects in California, Washington, and Idaho. The FY2027 request included no new funding for Section 4007 projects, while the conference report for H.R. 9022 stipulated that \$201 million of additional funds for water conservation and delivery activities go toward future Section 4007 projects. H.R. 9022 also included language that would extend the sunset on study eligibility for Section 4007 projects from the end of 2020 to the end of 2026, potentially allowing new projects to compete for this funding.

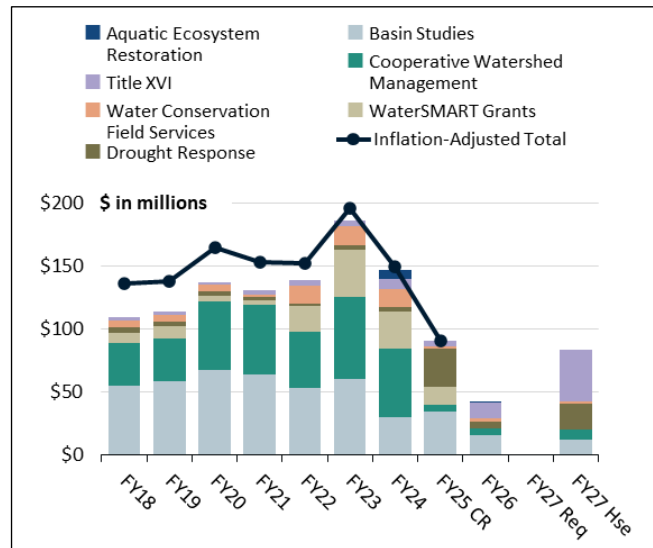
WaterSMART Program

Reclamation combines funding for seven subprograms (many of them awarded as grants) that promote water conservation into one program—the WaterSMART program. These 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. Several WaterSMART programs previously received additional supplemental funding in the IJA.

For FY2027, the President’s budget requested no funding for WaterSMART. H.R. 9022 included \$83 million for WaterSMART projects but no funding for Basin Studies and Aquatic Ecosystem Restoration grants (Figure 3).

Figure 3. Bureau of Reclamation WaterSMART Program Annual Appropriations, FY2018-FY2027



Source: CRS, based on FY2018-FY2026 enacted appropriations, FY2027 budget request (FY27 Req), and H.R. 9022 (FY27 Hse). Inflation adjustment based on FY2027 budget request, Historical Table 10.1.

Notes: CR= continuing resolution. Amounts do not reflect supplemental funding.

Additional Reading

- CRS In Focus IF13066, *Bureau of Reclamation: FY2026 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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