



Updated August 28, 2023

## Bureau of Reclamation: FY2024 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, ecosystem restoration, 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 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.

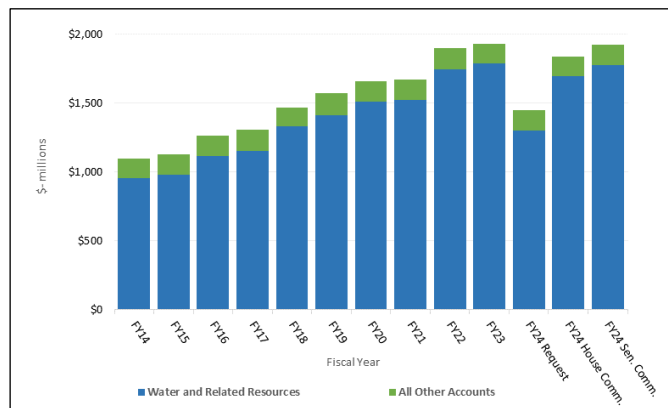
### FY2024 Budget and Appropriations

The Administration usually requests a lower amount for Reclamation than the final enacted total of annual appropriations. For FY2024, the President requested \$1.45 billion in current budget authority (i.e., appropriations before offsets) for Reclamation. In reported bills for Reclamation, the House Appropriations Committee included \$1.84 billion in H.R. 4394 and the Senate Appropriations Committee included \$1.92 billion in S. 2443. **Figure 1** shows recent Reclamation annual appropriations levels and these bills.

In addition to regular appropriations, Congress has provided Reclamation with supplemental appropriations that may factor into FY2024 appropriations considerations. The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) included \$8.30 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., \$1.66 billion per year). P.L. 117-169 (popularly known as the Inflation Reduction Act of 2022, or IRA) provided an additional \$4.59 billion for Reclamation, including \$4.00 billion for western drought mitigation, with priority given to actions in the Colorado River Basin. IIJA funding is *no year* funding, meaning it remains available until expended; IRA funding is to remain available until FY2026 or FY2031, depending on the provision. Reclamation has been gradually allocating IIJA funding in spend plans for each fiscal year and is releasing IRA funding on a rolling basis.

**Figure 1. Reclamation Annual Appropriations, FY2016-FY2024**

(nominal \$ in millions)



**Source:** CRS, based on FY2016-FY2023 appropriations, the FY2024 President’s budget request, H.Rept. 118-126, and S.Rept. 118-72.

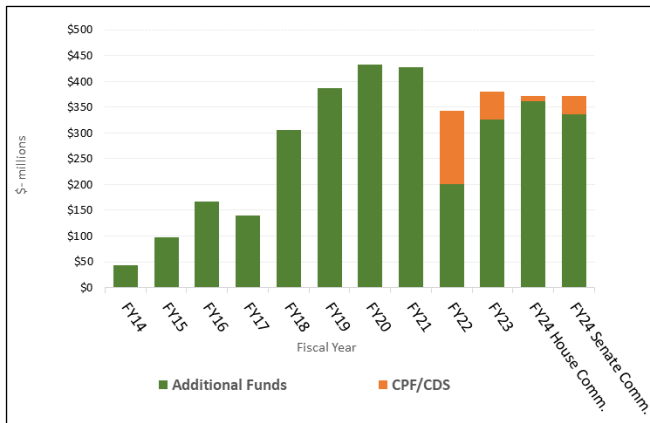
**Notes:** Does not reflect supplemental funding or offsetting receipts.

### “Earmarks” and Reclamation

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. (Spend plans are available at <http://www.usbr.gov/budget/>.)

In FY2022, Congress included the first Member-requested “earmarks” since the 111<sup>th</sup> Congress. These funds were categorized as *community project funding* (CPF) or *congressionally directed spending* (CDS) in the House and Senate, respectively. For FY2023, the explanatory statement for the enacted bill continued to include these funds in recommendations for Reclamation, in addition to amounts designated as Additional Funding. In its FY2024 recommendation, the House Appropriations Committee included \$361 million in Additional Funding and \$11 million in CPF, whereas the Senate Appropriations Committee included \$336 million in Additional Funding and \$35 million in CDS (**Figure 2**).

**Figure 2. Additional Funding for Reclamation Projects in Annual Appropriations: FY2016-FY2024**  
(nominal \$ in millions)



**Sources:** CRS, based on FY2016-FY2023 appropriations, H.Rept. 118-126, and S.Rept. 118-72.

**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 new process for Reclamation to study and construct federal and nonfederal water storage projects. For projects to receive funding under Section 4007, first Congress would appropriate funds under this authority. Then the Administration would recommend specific projects to fund and Congress would face a decision whether to approve the recommendations in enacted appropriations legislation.

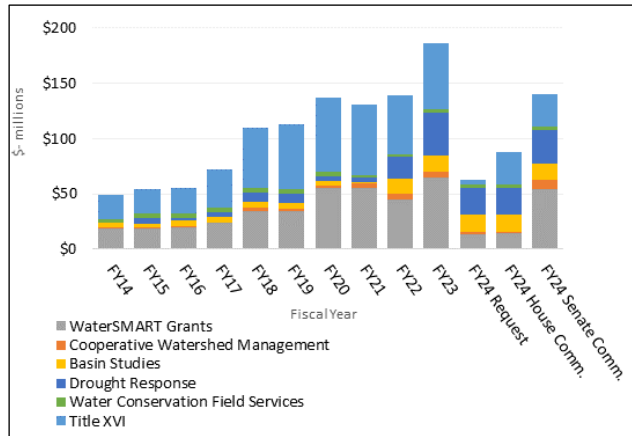
From FY2017 through FY2023, Congress provided \$854 million in regular appropriations for these projects. Congress has approved Administration recommendations for 13 projects and \$511 million of this funding in California, Washington, and Idaho. For FY2024, the Administration did not request funding for these projects; it has not recommended any new project allocations of prior year appropriations since 2022. Both the House and the Senate committee bills would approve an additional \$134 million in Section 4007 funding to be allocated later by Reclamation. The House Appropriations Committee’s FY2024 bill also would make available funding previously recommended by the Trump Administration for the Shasta Dam and Reservoir Enlargement Project. Neither Congress nor the Biden Administration previously recommended funds for that project. It is unclear how much funding could be released pursuant to this language.

### 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 (i.e., water and energy efficiency grants) and Title XVI projects (i.e., water recycling and reuse projects). In the FY2024 budget request, the Biden Administration proposed \$63 million for the WaterSMART program. In their respective

recommendations, the House Appropriations Committee would provide \$88 million for WaterSMART and the Senate Appropriations Committee would provide \$140.5 million (Figure 3).

**Figure 3. WaterSMART Program Annual Appropriations: FY2016-FY2024**  
(nominal \$ in millions)



**Source:** CRS, based on FY2016-FY2023 appropriations, the FY2024 President’s budget request, H.Rept. 118-126, and S.Rept. 118-72.

## Indian Water Rights Settlements

The FY2024 President’s budget proposed changes in how Reclamation funds Indian water rights settlements. The budget proposed no discretionary funding for settlement-related construction, noting that funding needs could be met with already enacted mandatory funding. The Administration also proposed two new mandatory funds providing, respectively, \$2.5 billion and \$340 million over 10 years to support additional funding for new and amended settlements and ongoing operation, maintenance, and repairs for existing settlements. Both funds would require congressional authorization. The House and Senate Appropriations Committees maintained the Administration’s approach to this discretionary funding in their reported bills, but both included report language suggesting these settlements also could benefit from allocations from the Additional Funding category.

### Additional Reading

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 R44148, *Indian Water Rights Settlements*

CRS In Focus IF10626, *Reclamation Water Storage Projects: Section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act*

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