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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.

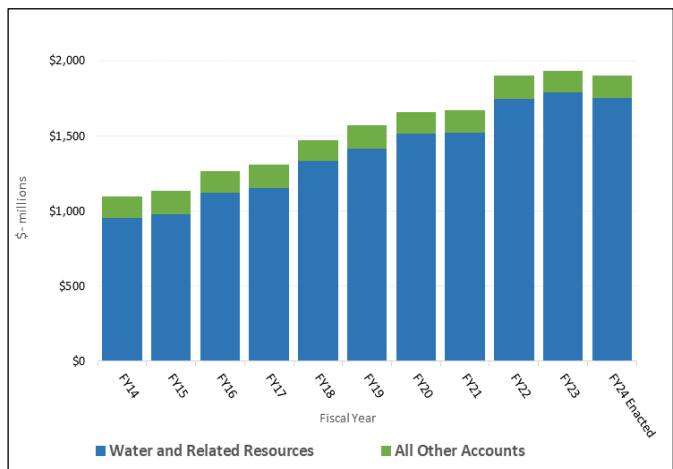
FY2024 Budget and Appropriations

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 the Consolidated Appropriations Act, FY2024 (P.L. 118-42), Congress provided \$1.9 billion for Reclamation (\$310 million below the FY2023 enacted level). **Figure 1** shows recent Reclamation annual appropriations levels (not including offsets or offsetting receipts).

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, FY2014-FY2024

(nominal \$ in millions)



Source: CRS, based on FY2014-FY2024 enacted appropriations.

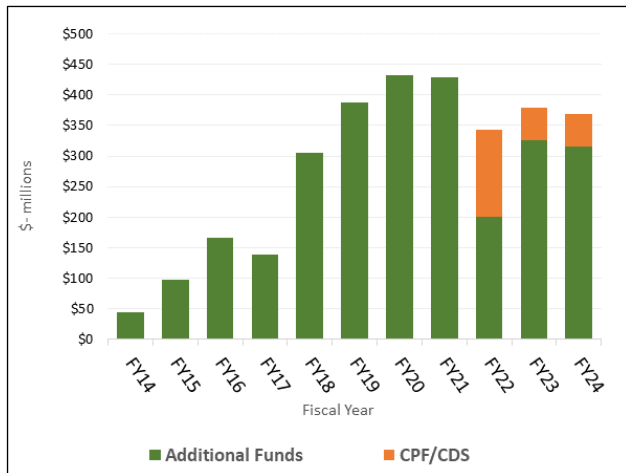
Notes: Does not reflect supplemental funding or offsetting receipts.

“Earmarks” and Reclamation

Reclamation’s Water and Related Resources account consists largely of individual project funding lines. During the 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 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 111th 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 P.L. 118-42, Congress included \$315 million in Additional Funding and \$54 million in CPF/CDS for FY2024 (**Figure 2**).

Figure 2. Additional Funding for Reclamation Projects in Annual Appropriations: FY2014-FY2024
(nominal \$ in millions)



Sources: CRS, based on FY2014-FY2024 appropriations.

Notes: CPF/CDS = Community Project Funding/Congressionally Directed Spending.

Reclamation Appropriations Issues

WIIN Act Section 4007 Funding

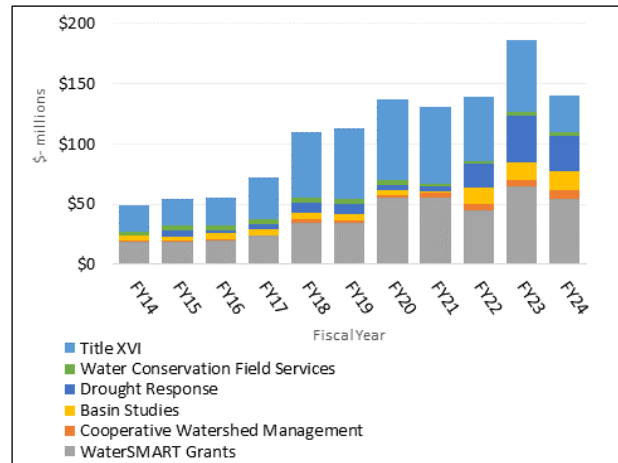
Section 4007 of the Water Infrastructure Improvements for the Nation Act (WIIN Act; P.L. 114-322) authorized a new process for Reclamation to study and construct federal and nonfederal water storage projects. For projects to receive funding under Section 4007, first Congress appropriates funds under this authority. Then the Administration recommends specific projects to fund and Congress would decide whether to approve these 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 \$609 million of this funding in California, Washington, and Idaho. In July 2023, the Administration requested that enacted FY2024 appropriations approve an allocation of prior year funding for one project (\$206 million for Sites Reservoir in California). This recommendation was approved in P.L. 118-42. Congress also appropriated another \$134 million for future project allocations in the enacted bill.

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 P.L. 118-42, Congress provided \$140.5 million for Reclamation WaterSMART programs in FY2024, a decrease of \$46 million from the FY2023 enacted amount (Figure 3).

Figure 3. WaterSMART Program Annual Appropriations: FY2014-FY2024
(nominal \$ in millions)



Source: CRS, based on FY2014-FY2024 appropriations.

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 R47987, *Bureau of Reclamation Support for Water Storage Projects*, by Charles V. Stern

CRS Report R44148, *Indian Water Rights Settlements*

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