



Updated September 15, 2022

Bureau of Reclamation: FY2023 Budget and Appropriations

Overview

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 designated in statute by Congress. These projects provide water to approximately 10 million acres of farmland and 31 million people. 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 has evolved since its creation in 1902; its focus has shifted from construction of new water storage projects to operation and maintenance of existing projects. Reclamation also has expanded into new areas, such as funding for water projects on tribal lands and in rural areas. Congress also has authorized new Reclamation grants for nonfederal projects, including those for water reuse and recycling, desalination, conservation and efficiency, and restoration, among other purposes.

Reclamation’s Water and Related Resources account funds most agency activities, including construction, operation and maintenance, dam safety, ecosystem restoration, Indian water rights settlements, and most programmatic and grant authorities. 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.

FY2023 Budget and Appropriations

The Administration request is usually less than the final enacted total for Reclamation. For FY2023, President Biden requested \$1.41 billion in gross current budget authority (i.e., appropriations before offsets) for Reclamation. H.R. 8294, Division C, Energy and Water Development and Related Agencies Appropriations Act, 2023, as passed by the House on July 20, 2022, contained \$1.89 billion for Reclamation. On July 28, 2022, the Chair of the Senate Committee on Appropriations released draft bill text and a draft accompanying explanatory statement with \$1.92 billion contained for Reclamation. On the same day, this draft bill text was introduced as S. 4660. This In Focus continues to refer to the Senate Committee majority draft bill on which the draft explanatory statement is based.

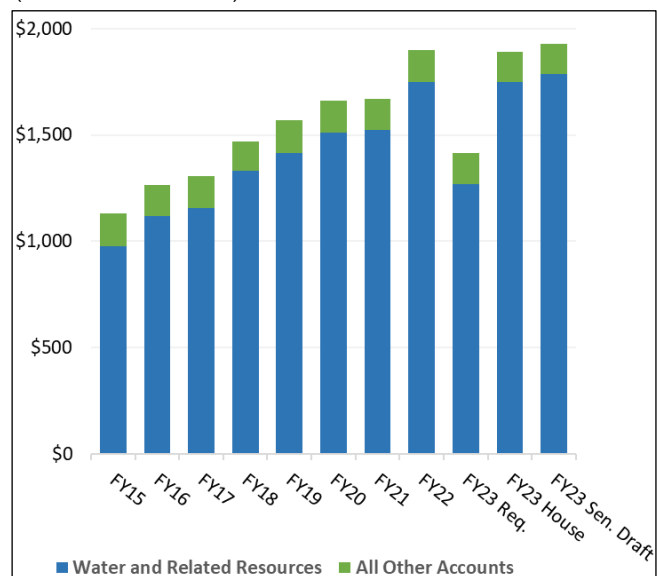
Figure 1 shows enacted appropriations levels for Reclamation’s accounts since FY2015.

In addition to regular appropriations, Congress has recently provided Reclamation with supplemental appropriations that may factor into FY2023 appropriations considerations.

First, in September 2021, Congress included \$210 million in supplemental funding for Reclamation in the Disaster Relief Supplemental Appropriations Act, 2022 (P.L. 117-43, Division B); these funds were provided to combat western drought and wildfire. Then, in October 2021 under the Infrastructure Investment and Jobs Act (P.L. 117-58), Congress enacted \$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). Finally, in P.L. 117-169 (popularly known as the Inflation Reduction Act), enacted in August 2022, Congress approved an additional \$4 billion for Reclamation for western drought mitigation, with priority given to actions in the Colorado River Basin. All of this funding is “no year” funding, meaning it remains available until expended.

Figure 1. Reclamation Annual Appropriations: FY2015-FY2023

(nominal \$ in millions)



Source: CRS, based on FY2015-FY2022 enacted appropriations, the FY2023 budget request, and FY2023 Appropriations Committees data.

Notes: Does not reflect supplemental funding or offsetting receipts for the Central Valley Project Restoration Fund.

Earmarks and Reclamation

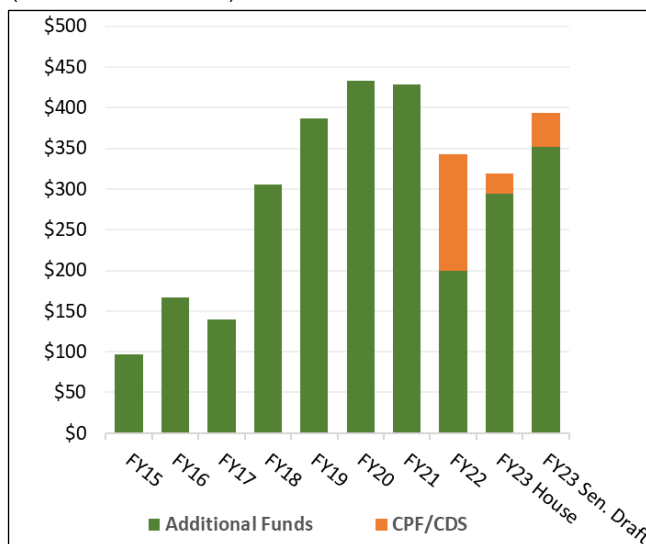
Most of Reclamation’s budget goes to projects rather than programs, and the Water and Related Resources account consists largely of individual project funding lines. During the 112th-116th Congresses, Reclamation appropriations were subject to general “earmark moratoriums” that restricted Congress from 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 recommended allocations of 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* or *congressionally directed spending* in the House and Senate, respectively. For FY2023, the House Appropriations Committee’s report and the Senate Appropriations Committee majority draft explanatory statement included these funds in their recommendations (Figure 2).

Figure 2. Reclamation Additional Funds from Congress, FY2014-FY2023

(nominal \$ in millions)



Sources: CRS, based on FY2015-FY2022 enacted appropriations data and FY2023 Appropriations Committees data.

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, first Congress must appropriate funds under this authority. Then, the Administration must recommend specific projects for funding and Congress must decide whether to approve the recommendations in enacted appropriations legislation.

From FY2017 through FY2022, Congress appropriated \$720 million in regular appropriations for these projects

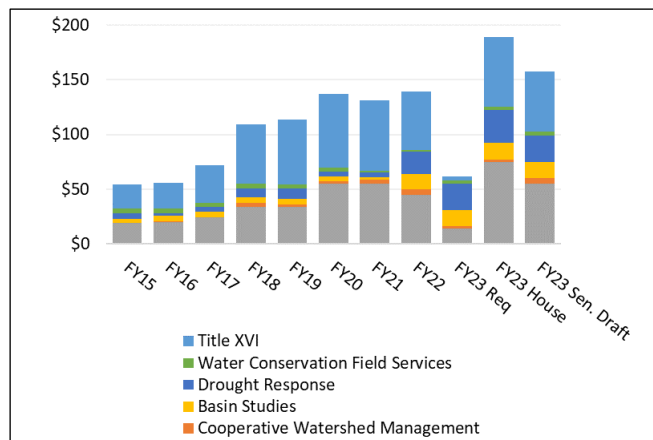
(including \$117 million in FY2022 under the aforementioned Additional Funding category). Reclamation has allocated and Congress has approved \$510 million of this funding for 13 projects in 3 states: 10 in California, 2 in Washington, and 1 in Idaho. For FY2023 appropriations under H.R. 8294, the House recommended \$134 million of Additional Funding amounts for these projects. The draft Senate Appropriations Committee majority recommendation proposed the same amount.

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). For FY2023, the Biden Administration requested \$62 million for the WaterSMART program (Figure 3). In H.R. 8294, the House recommended \$189 million for WaterSMART programs, while the draft Senate Appropriations Committee majority recommendation included \$157 million for WaterSMART.

Figure 3. Reclamation WaterSMART Program: FY2015-FY2023

(nominal \$ in millions)



Source: CRS, based on FY2015-FY2022 enacted appropriations, the FY2023 budget request, and FY2023 Appropriations Committees data.

Additional Reading

CRS Report R46303, *Bureau of Reclamation: History, Authorities, and Issues for Congress*.

CRS Report R47032, *Bureau of Reclamation Provisions in the Infrastructure Investment and Jobs Act (P.L. 117-58)*.

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

CRS Report R44148, *Indian Water Rights Settlements*.

Charles V. Stern, Specialist in Natural Resources Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.