

On May 28, the President released his FY2022 budget request.

Department of the Interior

Within the Bureau of Reclamation's Water and Related Resources account, the budget allocates \$1.38B for management, development, and restoration of water and related natural resources, including the operation, maintenance, and rehabilitation of reclamation and other facilities, participation in fulfilling federal responsibilities to tribes, and related grants to, and cooperative agreements with, state and local governments, and federally recognized tribes. The amount includes \$71M for the Upper Colorado River Basin Fund and \$19M for the Lower Colorado River Basin Development Fund; \$40M for the Blackfeet Water Settlement Implementation Fund; and \$1M for the Aging Infrastructure Account (43 USC §510b(d)(1)).

The budget supports the Colorado River Drought Contingency Plan, negotiations on a replacement to the 2007 Colorado River Interim Guidelines, and implementation of the Minute 323 agreement with Mexico to mitigate the impacts of drought. Funds include \$3.3M in the Upper Colorado River Operations Program and \$18.5M in the Lower Colorado River Operations Program.

The Klamath project request is \$24.1M for studies and initiatives to improve water supplies to address the competing demands of agricultural, tribal, wildlife, and environmental needs. The Middle Rio Grande project request is \$30.6M, including \$18.7M for collaborative studies to assess impacts of the project on the local endangered species.

The request for ongoing rural water projects is \$60.3M. The balance to complete four rural water projects authorized in 2000 and 2002 is \$478.5M: Lewis and Clark Rural Water System (\$154.6M remaining), Fort Peck Reservation/Dry Prairie Rural Water System (\$14.2M remaining), Garrison Diversion Unit (\$170.7M remaining), and Rocky Boy's/North Central Montana Rural Water System (\$138.8M remaining).

Other requests for Reclamation include \$33M for the California Bay-Delta Restoration program; \$56M for the Central Valley Project Restoration Fund; \$10M for rural water supply for the Central Valley Project; and \$20M for the Central Utah Project Completion Account. Funds for other programs include the Desalination and Water Purification Research Program (\$9.5M), the Dam Safety Program (\$207.1), and Extraordinary Maintenance activities (\$125.3M).

The request for funds to support the WaterSMART program is \$54M (a significant decrease from the \$148.9M FY21 enacted level), including funds for WaterSMART grants (\$15M), the Cooperative Watershed Management Program (\$2.2M), basin studies (\$13.5M), drought response (\$16.5M), the Water Conservation Field Services Program (\$2.3M), and Title XVI projects (\$4.5M).

The Reclamation Fund was created in 1902 to provide money for administration and many programs and projects, but receipts have long outpaced expenditures. The estimated unobligated balance in the Reclamation Fund at the end of FY2022 is \$17.8B. The fund receipts are derived from project repayments and other revenues from water and power users, together with certain receipts from the sale, lease, and rental of federal lands in the 17 Western States, but most of the funds come from federal oil and mineral royalties and leasing revenues. Funds are made available by the Congress through annual appropriations acts.

The Bureau of Indian Affairs requested \$188M for construction, repair, improvement, and maintenance of irrigation and power systems, buildings, utilities, and other facilities; and another \$75M for Indian land and water claim settlements, including Pechanga in California, Confederated Salish and Kootenai Tribes and Blackfeet in Montana, the Pyramid Lake Paiute Tribe in Nevada, and Navajo Nation in Utah.

The budget includes a proposal to make Indian water rights settlements no longer subject to PAYGO requirements. "The Administration proposes legislation to provide full funding for currently enacted Indian water rights settlements. The Department [of the Interior] proposes to reclassify as mandatory funding the

amounts necessary to meet Federal commitments for existing enacted Indian water rights settlements. The Budget continues the current discretionary funding for Indian water rights settlements for FY 2022. This reclassification to mandatory funding would take effect for FY 2023 and thereafter.” The budget notes that the gap between existing sources of funding for water rights settlements and the estimated need from FY23-31 is \$2.57B. The Reclamation Water Settlements Fund currently receives \$120M each year, from the Reclamation Fund, for expenses associated with Congressionally-approved Indian water rights settlements through FY2029. Other settlement funding has to be appropriated by the Congress.

The U.S. Geological Survey (USGS) requested \$1.6B (an increase of \$326.9M above the FY21 enacted level) for surveys, investigations, and research. This includes \$30.9M for the Next Generation Water Observing System (NGWOS), \$28.3M for federal priority streamgages, \$60M in collaborative research in climate adaptation and resilience, and \$84.8M for satellite operations. The USGS budget in brief notes that Landsat 9 “launches in calendar year 2021, and USGS and NASA have begun development on next-generation space-based land imaging.” The budget includes \$288.4M (\$25.3M increase) for data collection, modeling, and maintaining monitoring networks to understand quantity, quality, and use components of water availability. Funding is also included for Water Availability and Use Science (\$69.5M), the Groundwater and Streamflow Information Program (\$112.7M), the National Water Quality Program (\$95.2M), the Water Resources Research Act Program (\$11M), and cooperative matching funds (\$64.5M) for water projects and streamgages with states, tribes, and local partners.

The USGS program changes in the budget request stated that the Federal Priority Streamgage (FPS) network, a subset of the National Streamgaging Network, “...includes more than 4,700 sites identified as valuable for streamflow and related data collection to address long-term Federal needs, such as drought and flood forecasting, interstate and international water compacts and decrees, and tracking sentinel trends. In FY 2021, the USGS estimates it will have to discontinue up to 29 streamgages due to rising operational costs of the network. In FY 2022, an additional 58 streamgages will be at risk for discontinuation if we are not able to get partners to assist in covering more costs within the FPS. The requested increase would ensure the continued operation of approximately 3,470 streamgages in the FPS Network. Furthermore, the USGS would implement enhancements that increase the resiliency of the FPS network (e.g., flood-hardening sites) and ensure sites meet requirements for successful data collection and transmission (e.g., cyclical equipment upgrades for monitoring, telecommunication, and data transmission).” USGS included \$3.6M in the budget for these program changes. In the program overview, the USGS noted: “These [FPS Network] sites are supported through a combination of USGS and partner funding-approximately one-quarter are fully funded by the USGS.”

The budget request for the Fish and Wildlife Service (FWS) totals \$3.6B, an increase of \$331M above the FY21 enacted level. It includes \$82.4M for State and Tribal Wildlife Grants and \$33.7M for landscape-level science to guide adaptive management of resources and improve resilience to changing temperatures, water levels, and weather patterns resulting from a changing climate. It includes \$4M for the National Wetlands Inventory, \$123M for species recovery activities, \$255M for Fisheries and Aquatic Resource Conservation and \$82M for the National Fish Hatchery System. The Land and Water Conservation Fund, which was permanently funded through the Great American Outdoors Act (PL 116-152) has a request of \$121M.

Interior requested \$1.1B for wildland fire management, including fire preparedness, suppression, rehabilitation, research, and fuels management. The budget proposes to establish the Energy Community Revitalization Program in support of Executive Order 14008, and requests \$169M for addressing hundreds of thousands of abandoned hard rock mines and orphaned oil and gas wells, together with states and tribes.

Department of Agriculture

The budget for the Department of Agriculture (USDA) included \$2.3B for the Conservation Reserve Program and \$1.56B for the Farm Service Agency, including \$7M for the Grassroots Source Water Protection Program. The Natural Resources Conservation Service (NRCS) request was \$5B, with \$886M for Conservation Operations which includes \$16M for the Snow Surveys, \$84M for Soil Surveys, and \$0 for Watershed Projects. The USDA budget justification said, “[T]he Soil Survey Program will enhance evaluation of the effects of conservation practices on soil health, soil erosion, carbon sequestration, and other resource

issues. The Snow Survey and Water Supply Forecasting Program will enhance data collection and analysis to provide estimates of water availability, drought conditions, and flooding potential to water users...and to water managers....”

The NRCS request also included \$10M for the Watershed Rehabilitation Program, \$175M for Watershed and Flood Prevention Operations, and \$20M for the Healthy Forests Reserve Program. Requests for Farm Bill Programs included \$1.85B for the Environmental Quality Incentives Program, \$300M for the Regional Conservation Partnership Program, and \$800M for the Conservation Stewardship Program. Within the Rural Development budget, the request for the Water and Waste Disposal program was \$2.2B and included associated legislation to increase the budget authority for grants by \$717M.

The Forest Service budget request was \$9.1B, including allocations of \$400M for wildland fire risk management, \$100M for climate reclamation, \$84M for climate resilience, \$37M for climate science, and \$5M for establishing climate hubs across the country.

Environmental Protection Agency

The budget request for the Environmental Protection Agency (EPA) is \$11.2B. It includes \$5.1B for State and Tribal Assistance grants and \$80M for the Water Infrastructure Finance and Innovation Act (WIFIA) Program, a \$15M increase. Since its inception in 2017, the WIFIA program has issued 50 low-cost loans totaling more than \$9B in credit assistance to leverage \$20B for water infrastructure.

Within the State and Tribal Assistance Grants program area, the Clean Water State Revolving Fund (CWSRF) has a request of \$1.87B, which would supplement more than \$145B in assistance provided over the life of the program. This request proposes to expand EPA’s authority over funds from the American Iron and Steel (AIS) requirement in the CWSRF, allowing EPA to move those AIS funds into future Clean Watershed Needs Surveys that provide a comprehensive assessment of the capital needs to meet water quality goals. The Drinking Water State Revolving Fund (DWSRF) request is \$1.35B, which can help public water systems finance the costs of drinking water infrastructure improvements. It also includes \$41M in funding for Assistance for Small and Disadvantaged Communities Drink Water Grants, authorized within the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016 (PL 114-322), \$81.5M for the Reducing Lead in Drinking Water program, and \$3M for water infrastructure and workforce investments. Finally, \$36M is requested for infrastructure assistance to Alaska Native Villages.

Within the Science and Technology program area, the budget requests \$116M for research on safe and sustainable water resources to “produce robust research and scientific analyses for decision-making and inventive, practical solutions for the Agency and its stakeholders to protect and restore America’s watersheds and water infrastructure.” This includes efforts to address per- and polyfluoroalkyl substances (PFAS), lead, harmful algal blooms, and wastewater problems. It also includes \$6.4M for research on contaminants in drinking water.

The EPA budget requests \$218.5M for Surface Water Protection Programs, \$118M for Drink Water Protection, and \$180M for Nonpoint Source (Section 319) grants. The National Estuary Program budget request is for \$32M.

Army Corps of Engineers

The Army Corps of Engineers (Corps) requested \$1.8B for construction of commercial navigation, flood and storm damage reduction, and aquatic ecosystem restoration projects, and another \$2.5B for operation and maintenance of existing projects. For regulation of navigable waters and wetlands, the Corps requested \$204M.

The Corps did not request any additional funds for the Water Infrastructure Finance and Innovation Program Account, although the new federal credit program for dam safety is still being established with funds appropriated in FY21.

National Aeronautics and Space Administration

The National Aeronautics and Space Administration's (NASA) Earth Science budget request was \$2.25B (compared to the \$2.0B FY21 enacted level). This includes \$2.8M for Landsat 9 due to launch in 2021 (a decrease from \$86.5M), \$22.8M for Sentinel-6 (an increase from \$8M), \$73.3M for NASA-ISRO Synthetic Aperture Radar (NISAR) (a decrease from \$75.5M), \$32.8M for the Surface Water and Ocean topography (SWOT) mission (a decrease from \$63.9M), and \$119.4M for the Plankton, Aerosol, Cloud, Ocean Ecosystem (PACE) mission (a decrease from \$145.1M). The PACE mission helps identify the extent and duration of harmful algal blooms. The increases in the Earth Science budget are to "enhance NASA's ability to address important climate research priorities such as: coastal resilience and infrastructure, renewable energy, water availability (including subseasonal-to-seasonal modeling), as well as carbon monitoring and carbon cycle science."

Department of Energy

The Department of Energy requested \$129M for the Exascale Computing Project (ECP) (a decrease from the \$168.9 FY21 enacted level). The ECP efforts include, among other things, "applications to deliver accurate regional impact assessment from climate change, forecast water resources and severe weather with increased confidence, address food supply changes, [and] optimize power grid planning with diverse green energy options...."

Department of Defense

The Department of Defense (DOD) budget request included \$810M for environmental restoration at current DOD sites, with an additional \$218.5M for environmental restoration at former DOD sites. The DOD indicated that facility investments include full funding "of all executable remediation activities for [PFAS] substances at locations closed through Base Realignment and Closure efforts."