

Committee on Natural Resources
Oversight Hearing
1324 Longworth House Office Building
March 27, 2019
10:00 am

Hearing on “*Examining the Department of the Interior’s Spending Priorities and the President’s Fiscal Year 2020 Budget Proposal*”

Questions from Rep. TJ Cox for Scott Cameron, Principal Deputy Assistant Secretary for Policy, Management and Budget for the Department of the Interior

1. The Friant-Kern Canal is one of the most important water infrastructure assets to the constituents I represent in California’s 21st Congressional District, yet it is in dire need of repair due to subsidence. Can you please explain to me why Reclamation’s budget request for Fiscal Year 2020 did not include funding for Friant-Kern Canal rehabilitation and also how Reclamation plans to address canal repairs? I understand that Reclamation must balance the needs of ALL of its infrastructure, but I am struck by the absence of funding, particularly in the CVP Replacements, Additions, and Extraordinary Maintenance Program (RAX), as this year’s funding request of roughly \$28 million is higher than previous requests.
2. Expanding the use of recycled water is critical for the West to stay drought resilient and ensure a long-term and reliable water supply for residents, businesses, and the environment. As you know, Reclamation's Title XVI program, which provides support for the planning, design, and construction of water recycling and reuse projects, is an incredibly popular program that is oversubscribed each year, demonstrating the need for increased funding. Despite this, this budget makes significant cuts for the program in the FY20 budget (\$3M compared with \$58.6M enacted in FY19). How will Interior support expanded use of recycled water under this proposed budget?
3. Reclamation’s 2020 Budget Proposal includes \$54.8 million for the Central Valley Project Improvement Act (CVPIA) Restoration Fund. This fund provides water for wildlife refuges and fisheries restoration projects in the Sacramento and San Joaquin Valleys. It is a key source of funding for the recovery of endangered fish species and the continued delivery of water and power to CVP users. Congress has annually appropriated money to this fund with clear direction that Reclamation must continue to collect the full amount of annual CVPIA restoration payments authorized by CVPIA section 3407. That amount is capped at \$30 million per year, indexed to 1992 price levels, on a 3-year rolling average.

For the first time, in the 2020 Budget Proposal, Reclamation proposes to collect \$2 million less than the full amount of contractor payments, in order to “reset” the 3-year

rolling average and stabilize future budgetary requests. Presumably, Reclamation's budget requests for 2021 and 2022 will also be targeted for this purpose. The 3-year rolling average has long been unbalanced because of uneven collections in the first years of CVPIA implementation. This causes high, medium, and low years for Restoration Fund collections and expenditures. By "evening out" the rolling average, Reclamation would provide more predictability, both for contractor payments and for the funding that is available for environmental restoration. If Congress approves this request for the limited beneficial purpose of resetting the 3-year average, it should not be seen as a signal that Reclamation has the discretion to collect less than the full amount of payments in the future.

Mr. Cameron, can you confirm that the purpose behind the reduced CVPIA Restoration Fund budget request for 2020 is limited only to "resetting" the 3-year rolling average, to create more consistent collections and expenditures going forward? Can you confirm that if Congress approves the request for this limited purpose, Reclamation does not intend to propose collections of less than the full amount of CVPIA Restoration Fund payments for any other purpose in the future?