# FEDERAL WATER CONSERVATION INVESTMENTS IN THE COLORADO RIVER BASIN CUT 70% DESPITE HISTORIC DROUGHT CONDITIONS

## ANALYSIS OF FEDERAL SPENDING IN FIVE VOLUNTARY CONSERVATION PROGRAMS AT THE US DEPARTMENT OF AGRICULTURE AND US DEPARTMENT OF THE INTERIOR IN THE FIRST 18 MONTHS OF THE TRUMP ADMINISTRATION AND THE 18 MONTHS PRIOR

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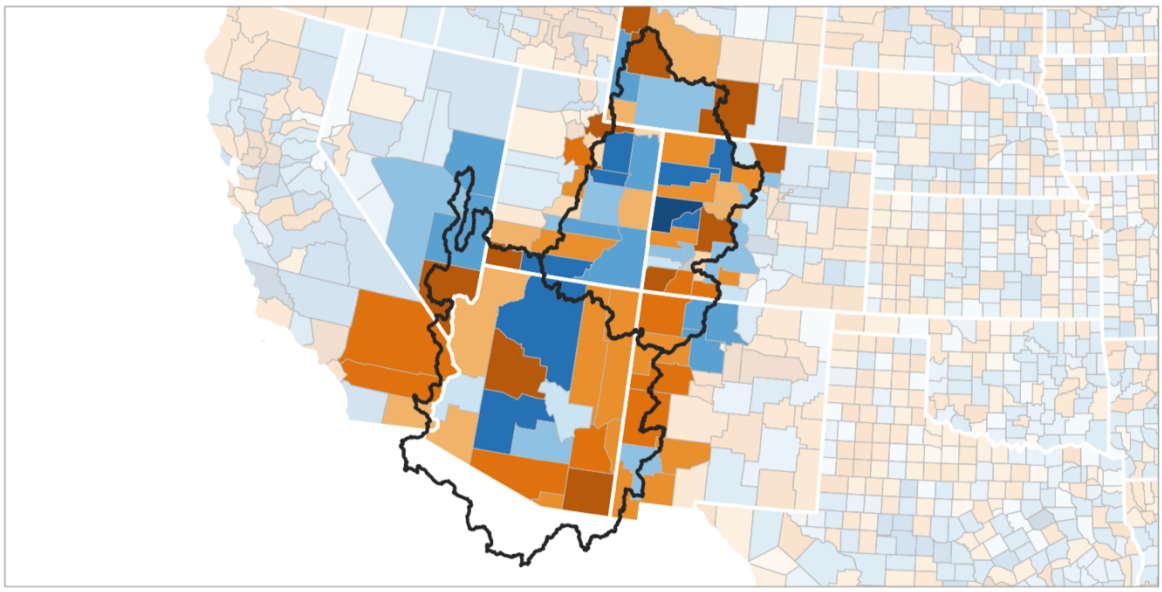
**Executive Summary**

Prospect Partners and Hawk Eye Strategies analysis of federal spending data revealed that federal investment in key voluntary water conservation programs across the drought-stricken Colorado River Basin fell by 70.4% in the first 18 months of the Trump administration, compared with the 18 months before it.

- The Colorado River basin supplies water to 40 million people and supports $1.4 trillion in economic activity.
- Net obligations in five major Department of Interior (Bureau of Reclamation) and Department of Agriculture Natural Resources Conservation Service (NRCS) programs declined from $675M to $200M.
- Upper Basin investment dropped 73.3% and Lower Basin investment 61.6%.
- Spending in four of the five programs declined, with cuts ranging from 33.5% to 90.0%.
- The Agricultural Conservation Easement Program (ACEP) fell the most, from $479.3M to $48.0M.
- USDA's Environmental Quality Incentives Program (EQIP) was the only program to grow in the basin, up 18.2%, as the number of grants receiving new funding fell.

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**FIGURE 1: NET CHANGE IN FEDERAL SPENDING OBLIGATIONS IN THE COLORADO RIVER BASIN FOR CONSERVATION GRANTS (WATERSMART, ACEP, CSP, EQIP, RCPP) BY COUNTY, AUGUST 2023 THROUGH JANUARY 2025 VS. FEBRUARY 2025 THROUGH JULY 2026**




Dollar change in net obligations (obligations minus deobligations) by the recipient's registered county, by action date. Counties outside the Colorado River Basin are faded; the line marks the basin boundary. Agency reporting to USASpending is typically delayed 30–90 days. USDA conservation programs include funding for practices directed toward water, soil, and air. USDA CSP funds conservation practices including Advanced Irrigation Water Management; all CSP net obligations are counted, as with USDA EQIP. USDA EQIP (Colorado River Basin): in parallel with the increase in net dollars obligated, the number of grants with new funding fell 9.8% and the mean value of those grants increased 20.4%, suggesting funding concentrated in fewer, larger grants.
Source: USASpending.gov (latest action date: Reclamation assistance July 16, 2026; NRCS assistance September 30, 2026). Analysis by Prospect Partners, LLC.
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## How Voluntary Conservation Works

Unlike large infrastructure projects such as dam construction, voluntary conservation programs at USDA and DOI create incentives for farmers, ranchers, businesses, Tribal Nations and local governments to invest in conservation practices that generate long-term savings for the grantee and may provide long-term benefit to the public water supply:

- A rancher builds a fence to limit grazing and allow native grasses to recover on an eroding hillside, which promotes soil stability and lets more rain and snowmelt soak in rather than run off, while receiving support to provide alternative food sources for their herd.

- A local government installs smart water meters that more fairly distribute the cost of water service based on actual usage, giving residents a price signal and better data to voluntarily reduce consumption, identify leaks, or replace inefficient equipment.
- A regional land trust purchases an easement on land adjacent to a wetland, protecting it from development, preserving local wildlife habitat, and helping the area absorb floodwater.

For this analysis, we reviewed five federal conservation programs, one at the Bureau of Reclamation and four at the USDA Natural Resources Conservation Service (NRCS). Although the direct benefit of any specific program is difficult to quantify, voluntary conservation programs are a popular tool for management of agricultural irrigation, which constitutes 40% of the nation's freshwater use.

The characteristics of each program vary based on law and historical practice. The four NRCS programs have roots that go back to New Deal soil and water conservation initiatives that followed the Dust Bowl: Agricultural Conservation Easement Program (ACEP), Conservation Stewardship Program (CSP), Environmental Quality Incentives Program (EQIP), and Regional Conservation Partnership Program (RCPP). The majority of but not all dollars in each of the four USDA programs fund practices that include water conservation alongside other goals. All of the USDA and BOR programs, with the exception of CSP, generally involve cost sharing between the federal government and either the coordinating entity or the final recipient. Of the five, only BOR's WaterSMART exclusively funds water conservation.

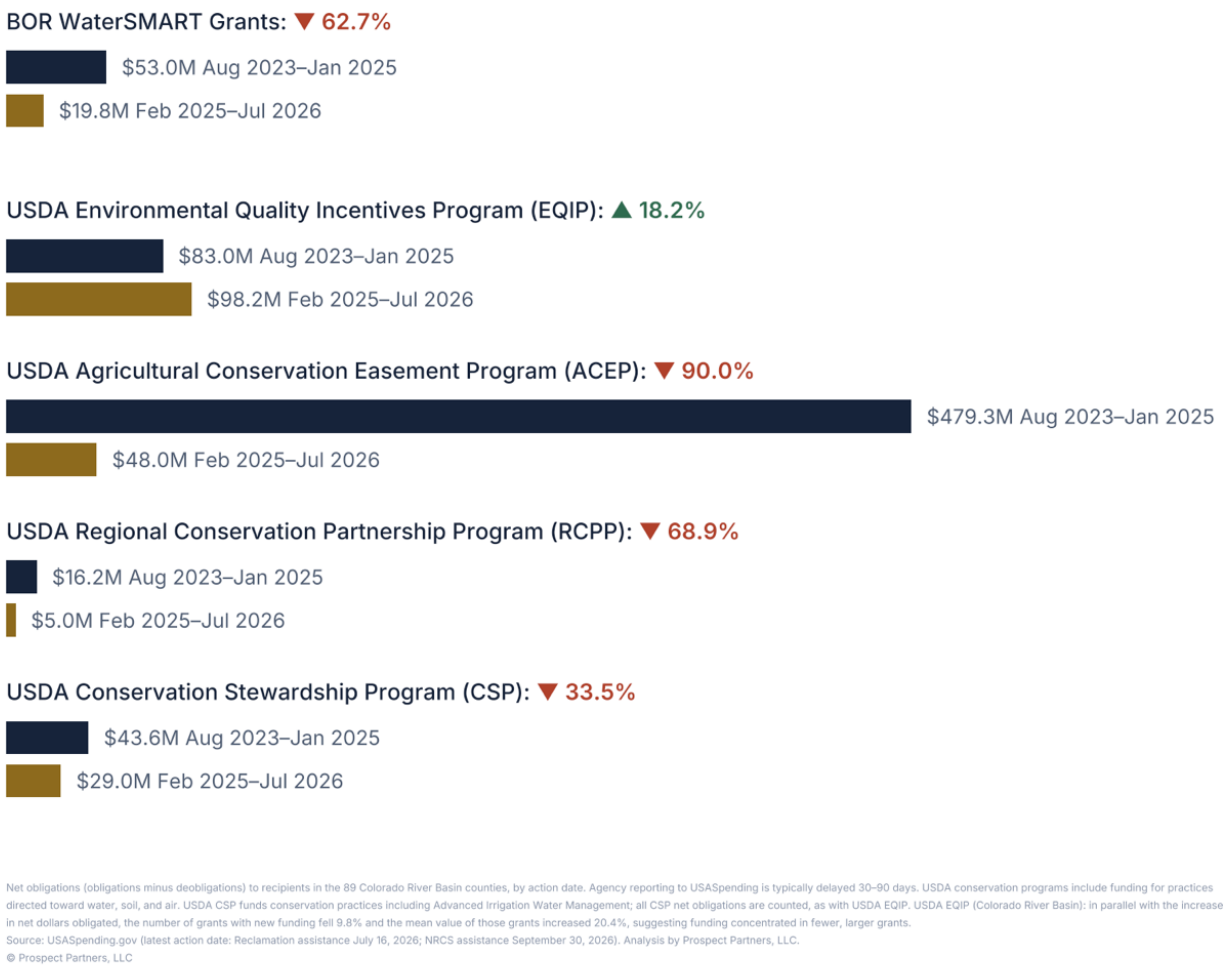
**A Closer Look at Cuts to Federal Conservation Grants in the Colorado River Basin**

Across the Colorado River Basin, funding declined in four of the five programs examined, with the decline in net obligations ranging from 33.5% to 90.0%.

- BOR WaterSMART: Declined 62.7%, from $53.0M to $19.8M. Program grants are limited by design to recipients in western states, consisting largely of governments and public entities with responsibility for water systems.
- USDA Agricultural Conservation Easement Program (ACEP): Declined 90.0% from $479.3MN to $48.0M. Funds support long-term or permanent conservation easements to protect agricultural lands from conversion to other uses and to conserve and restore wetlands.
- USDA Regional Conservation Partnership Program (RCPP): Declined 68.9% from $16.2M to $5.0M. Grants typically involve long term contracts with local or regional conservation entities for land preservation and implementation of conservation practices, with final payments going to multiple private land owners.

- USDA Conservation Stewardship Program (CSP): Declined 33.5% from $43.6M to $29.0M. Grant recipients are typically directed towards individuals, businesses, and farms in support of conservation practices.

**FIGURE 2: NET FEDERAL SPENDING OBLIGATIONS FOR CONSERVATION GRANTS (WATERSMART, ACEP, CSP, EQIP, RCPP) IN THE COLORADO RIVER BASIN, AUGUST 2023 THROUGH JANUARY 2025 VS. FEBRUARY 2025 THROUGH JULY 2026**




Net obligations (obligations minus deobligations) to recipients in the 89 Colorado River Basin counties, by action date. Agency reporting to USASpending is typically delayed 30–90 days. USDA conservation programs include funding for practices directed toward water, soil, and air. USDA CSP funds conservation practices including Advanced Irrigation Water Management; all CSP net obligations are counted, as with USDA EQIP. USDA EQIP (Colorado River Basin): in parallel with the increase in net dollars obligated, the number of grants with new funding fell 9.8% and the mean value of those grants increased 20.4%, suggesting funding concentrated in fewer, larger grants.
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Funding in the fifth program, EQIP, grew in the Colorado River Basin, but declined in overall number of participants:

- USDA EQIP: Program grants are directed towards individuals, businesses, and farms in support of conservation practices. An 18.2% increase in net dollars obligated in the

Colorado River Basin contrasts with an overall nationwide decline. However, the *number* of grants declined in both the Colorado River Basin and nationwide.

Cuts to BOR and USDA programs that help communities, landowners, and Tribal nations conserve water have impacted both the Upper and Lower Colorado River Basins.

- Upper Colorado River Basin federal spending fell by 73.3%, from $458.3M to $122.4M, in the first 18 months of the Trump Administration compared to the last 18 months of the previous administration.
- Lower Colorado River Basin federal spending fell 61.6%, from $230.2M to $88.3M during that period.
- Among counties with land in both the Upper and Lower Colorado Basin, federal spending fell 19.3%, from $13.4M to $10.8M.

The USDA Economic Research Service recently completed a comprehensive assessment of USDA conservation programs, Status and Trends of USDA Conservation Programs, 2002–2025, which provides additional detail on long term trends. Data shows that these declines are the steepest in the history of the five programs.

**Questions for Policymakers**

The data show what changed but not why. Possible explanations include a deliberate policy shift, normal year-to-year swings in large easement purchases, or the expiration of earlier funding. Policymakers could help clarify:

- Were the declines intentional, or does it reflect timing, appropriations cycles, or the end of earlier funding?
- Does the drop in ACEP, which accounts for most of the decline, reflect a change in priorities or in the pipeline of easement deals?
- What happens to projects already underway in the basin, and how will their commitments be honored?

Prospect Partners and Hawk Eye Strategies will continue to monitor federal contracting and grant-making data in the Colorado River Basin to understand trends in federal water-efficiency and water-saving efforts.

## About the Authors

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Bernie Kluger is a founding member of Prospect Partners, LLC, a network of senior executives in public policy and organizational development, committed to public service and improving real-world outcomes for working people and their communities. Most recently, Bernie served as enterprise lead for organizational effectiveness and workforce development at the US Department of Agriculture. He has also served in executive leadership roles at the Small Business Administration, the Office of Personnel Management, and the Department of the Interior.

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Andrea Delgado is a Founding Partner of Hawk Eye Strategies, a Latina and majority Native women-owned firm that supports Tribal Nations, nonprofits, workforce organizations, and foundations. Most recently, she served at the US Department of Agriculture as Deputy Regional Forester of the Forest Service's Rocky Mountain Region and, before that, as Chief of Staff to the Under Secretary for Natural Resources and Environment. She previously held leadership roles at the United Farm Workers Foundation and Earthjustice. She has led cross-sector initiatives advancing Tribal sovereignty, environmental health and justice, and wildfire resilience, and driven workforce reforms for farmworkers and wildland firefighters.