

NAVIGATING THE FEDERAL APPROPRIATIONS PROCESS

Presented by:

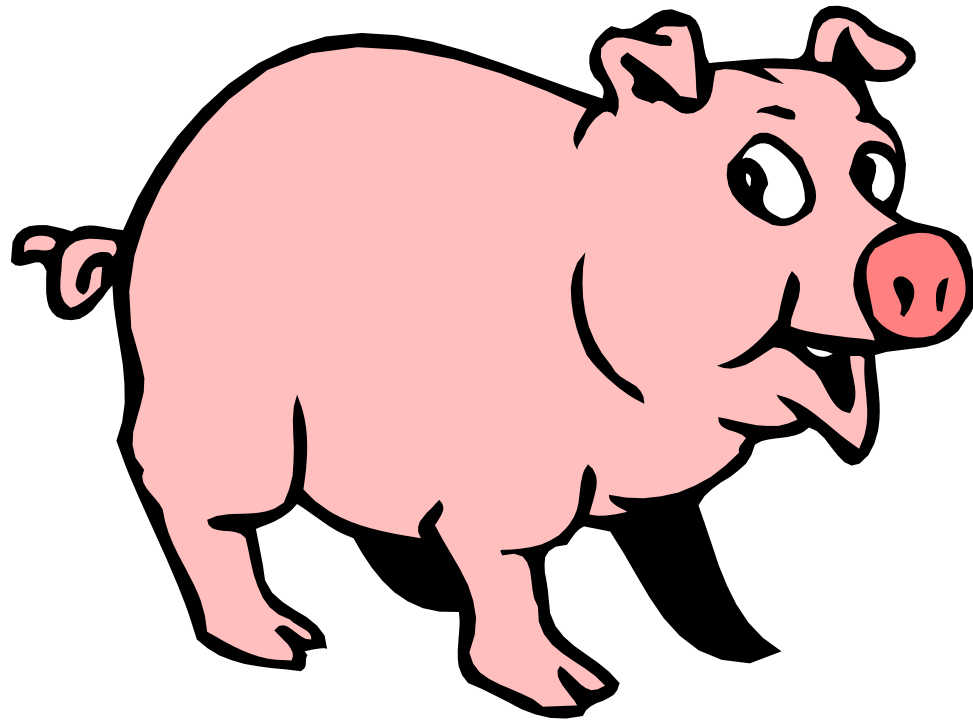
Joe Krahn, Waterman & Associates

June 2010



Introduction to Earmarks

- What is an earmark?
 - Defined by their supporters as “congressionally directed spending”
 - Also known as “legislatively directed spending”
 - Other examples of congressionally directed spending include: High Priority Projects and Projects of National and Regional Significance.
 - Earmarks are defined by their detractors as.....



Introduction to Earmarks Continued...

- Earmarks are a relatively new trend
 - Prior to mid 90s, Federal Agencies were making discretionary spending decisions on a project-by-project basis.
 - In 1994, four of the most heavily earmarked appropriations bills contained 764 earmarks. By 2005, that number had grown to roughly 8,600 earmarks – a more than 1,000 percent increase.
 - In 1994, the Labor-HHS bill did not include earmarks. By 2005, the legislation contained 3,054 earmarks.

Recent Trends and Reforms

- Earmarks are on the Decline
 - According to Senate Appropriations Committee, earmarks have been scaled back to 50 percent of 2006 levels for non-project-based accounts.
 - Fiscal Year 2009 Omnibus Appropriations Act – \$410 Billion Price Tag
 - *Taxpayers for Common Sense*: earmarks = \$7.7 billion or 1.9 percent of bill.
 - Republican staff of House Appropriations Committee: earmarks = \$5.5 billion or 1.3 percent of bill.
 - Congressional Democrats: earmarks = \$3.8 billion or 0.9 percent of bill.

Recent Trends and Reforms Continued...

- **Public Disclosure Requirements**
 - Purpose, location, intended recipient, etc posted on requesting Member's website at time of submission.
 - Pecuniary Interest – Members of Congress must certify that neither they nor their family members have a financial interest in any earmark request.
 - Early Public Disclosure – Earmarks approved by Appropriations Committee must be made publicly available the day subcommittee reports its bill or 24 hours before Full Committee consideration of a bill not considered by a subcommittee.

Recent Trends and Reforms Continued...

- **Fiscal Year 2011**
 - House Republicans – One-year moratorium on all earmarks
 - House Democrats – Moratorium on earmarks that benefit for-profit businesses.
 - Senate Democrat & Republican Caucuses have not followed suit; however, some individual senators (Ds & Rs) have pledged not to take earmarks in FY 2011.
 - Election-year momentum? Critics of earmarks point to recent defeat of Senator Robert Bennett (R-UT) and his support for a number of projects in his state.

Overview of the Budget Process - Where do Earmarks Fit In?

- Submission of the President's Budget
- The "Annual" Budget Resolution – Sets Top-Line Spending Figure
- 302(b) allocations to each of 12 Appropriations Subcommittees
- Mark-up, Floor Action, Conference, Bill Enactment
- Omnibus Appropriations Act – becoming more prevalent
- Continuing Resolution (CR) – No earmarks...

Where do Earmarks Fit In? (Continued)

- Different Avenues for Securing Earmarks
 - Annual Appropriations Bills (most common)
 - Multi-Year Transportation Bills – provides *Contract Authority*
 - Water Resources Development Act (WRDA)
 - Army Corps projects *authorized* through House T&I and Senate EPW for flood and storm damage reduction, navigation, and aquatic ecosystem restoration, etc.
 - WRDA projects receive *appropriations* through Energy & Water Appropriations Bill.
 - There is currently a backlog of more than 1,000 authorized WRDA studies and construction projects.
 - The majority of the more than 700 studies and construction projects authorized in WRDA 2007 have received no appropriations.

Nuts & Bolts of the Earmarking Process

- Congressional office announces solicitation for project submittal
 - Usually occurs early in New Year (January).
 - For most recent appropriations cycle (FY 2011), many congressional offices moved to online format consisting of electronic application/questionnaire.
 - Congressional offices typically require “Letters of Request” to accompany project submittals. Supplemental information also may be submitted (maps, letters of support from LEOs, etc).
 - Project submission deadlines are usually in February/March.
 - Additional items/addendums may be submitted throughout the year as long as they conform to formatting requirements.

General Appropriations Project Parameters

- Project should have a Federal Nexus
- Regional Significance
- Utilize federal funding immediately upon obligation and already have a significant local match available
- Build infrastructure, purchase equipment, initiate pilot projects
- Requests to cover operational costs/salaries that cannot be maintained without federal support do not usually gain traction.
- Projects should have a broad range of endorsement from local elected officials.

General Appropriations Project Parameters

- Match your county's priorities with areas of interest with your individual member(s) of Congress
 - Common Project Areas
 - Transportation (Highways and Transit)
 - Justice (Interoperable Communications, Meth, Multijurisdictional Task Forces)
 - Water Infrastructure (Wastewater Treatment, Water Quality)
 - Health & Human Services (After-School Programs, Health Research)
 - What if my member(s) of Congress does not request earmarks?
 - Senate offices become particularly important
 - Opportunity to submit regional/joint projects?

Other Logistics

- Which Subcommittee?
- Which Account?
- How much to request?
- Which office handles the project request?.....usually in Washington, D.C. (but not always)
- Is there a “list?”