

Hicks-Ray Associates



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TO: WESTCAS Membership
FROM: Fred B. Hicks and Tom Ray
SUBJECT: Earmarks in the 112th Congress

As both political parties jockey for advantage in the remaining weeks before the November 2nd election, the issue of earmarks and their place in the next Congress is beginning to take center stage. There is no consensus within either party for what to do. While House Republicans are sticking with their pledge to seek no earmarks in the FY11 Appropriations cycle, Democrats and also Senate Republicans are continuing with the process of requesting specific projects and funding.

The arguments against earmarks are familiar with the most prominent one being that it corrupts the political process by encouraging the granting of directed spending in return for campaign contributions. Those who support earmarks counter that the number of projects and the amount of spending for them has declined drastically over the past four years and that the process has become much more transparent.

WESTCAS members will have to make up their own minds with regard to this issue. But you might want to think about the following issues:

- Many Western water resources infrastructure are built through specific authorizations such as WRDA bills for Corps projects and specific authorizations for Bureau of Reclamation projects. These authorizations are, by definition, line item spending because they identify spending for specific projects.
- These projects are funded through the Energy and Water Appropriations bill which is largely a series of designated line item spending. The majority of projects that are funded are Administration requests. But the Congress often adds the priorities of its own Members to the funding mix.
- Many Western water resources projects do not originate from within a given Administration but are instead sponsored and added by Members of Congress. Without earmarks, these projects would not exist.

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- Earmarks do not increase the Federal budget. Instead, they are the process through which the Congress directs a small portion of the existing annual budget of agencies such as the Bureau and the Corps of Engineers for the funding priorities of its own Members.
- The fundamental question is whether the legislative branch should have the power to direct spending or whether they exist to only rubber stamp the spending proposals of the executive branch of government.

In closing, please take a look at the attached map which shows the winners of the Department of Education's "Race to the Top" last month. This competition allocated \$4.35 billion to school districts in winning states. The "winners" were Florida, Georgia, Hawaii, Maryland, New York, North Carolina, Ohio, Rhode Island, Delaware, Tennessee, and the District of Columbia. The only state west of the Mississippi was Hawaii which received \$75 million, versus \$700,000,000 for New York State.

There were no earmarks and no Congressional "interference" with the "Race to the Top" process which was decided by people inside the Department of Education and the Administration. In looking at the map, we can only assume that no WESTCAS member state had an educational proposal worthy of an award. At any rate, hopefully you enjoyed your tax contributions that went to make up the \$4.35 billion awards to the 11 winners.

If you like the look of the map, then you will like a world in which there is no input from the Legislative Branch of government. If not, then you might want to think about the implications for the issue of whether Congress should have the power to direct federal funding.