

SAFETEA-LU highlights for local transportation agencies

Installation II: Earmarks and their impacts on core funding

A sweeping five-year, \$244.1 billion transportation funding bill—Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)—was signed into law in August 2005.

Roughly \$2.2 billion of this funding, including millions of dollars in earmarked projects, will be distributed to Iowa through 2009.

Earmarks in SAFETEA-LU

Perhaps the most controversial feature of the new legislation is the large increase in congressionally earmarked projects over previous transportation bills. While 1998's TEA-21 included 1,849 earmarks that totaled \$9.3 billion, SAFETEA-LU has budgeted over 5,600 earmarks that will total more than \$19.4 billion through 2009.

Earmarks—a term derived from the ID tag that cattle ranchers often tack onto the ears of their livestock—describe the language inserted into congressional appropriations bills that specify how certain funds are to be spent.

SAFETEA-LU's earmarks are written into the High Priority Projects, Transportation Improvements, Bridge Discretionary, and National Corridor Infrastructure programs.

Iowa will receive funding for 150 earmarked projects that will cost \$473.9 million through 2009. This represents about a fourfold increase over Iowa's TEA-21 earmark budget (\$109 million) and a tenfold increase in number of projects (15).

With SAFETEA-LU, the funding stream for earmarked projects is also roughly as large as some core highway programs. For example, Iowa's Surface Transportation Program (STP), which funds a significant number of federal-aid highway projects, will receive \$466.7 million.

Editor's note: This is the second installment in a series describing the impacts of SAFETEA-LU on Iowa's local transportation agencies. The first article (Sep–Oct 2006) highlighted SAFETEA-LU's implications for local agency safety programs. This article summarizes the effects of SAFETEA-LU's earmarks on local Iowa transportation agencies.

Included in the earmarks are numerous highway construction and rehabilitation projects throughout Iowa, as well as railway, scenic bypass, trail, and transit projects. The National Center for Concrete Pavement Technology at ISU's Center for Transportation Research and Education will receive \$10 million for its research program.

Earmarks' effects on Iowa's local agencies

For local governments, the effects of this level of earmarking will be mixed.

On one hand, notes Charlie Purcell of the Iowa DOT Office of Local Systems, "Most earmark funding comes at the expense of core highway program budgets." In other words, earmarks reduce funds available to local governments through sources like STP or the Highway Safety Improvement Program.

Moreover, state and local governments are often required to come up with funding to match the earmarks' federal allotment.

And, since earmarked projects are, in a sense, programmed by congressional representatives, more earmarks mean less state and local control over highway spending decisions.

Dale Vander Schaaf of the Iowa DOT's Policy and Legislative Service notes, "Local governments, in particular, may need to re-allocate some of their local matching funds to projects they had not included in their Transportation Improvement Program."

However, local control over earmarked projects is not as limited as it may appear. Vander Schaaf points out, "The state or local jurisdiction is fully responsible for the project development process and determines the actual timeline for spending the funds."

Earmarked funds are almost always available until expended, which means that no timeframe is specified for using the funds.

Local governments have also shown some success in using earmarks to their advantage. Says Purcell, "Local governments collectively received a slightly larger share of SAFETEA-LU's earmarked funds for projects in their jurisdictions than the Iowa DOT," channeling federal funds directly into local jurisdictions.

Even before the new legislation, he adds, some local governments had been quite effective in securing earmarked dollars for projects in their jurisdictions.

For example, Altoona secured a \$2.98 million earmark in 2004 to rebuild the I-80/Iowa 945 interchange. Des Moines received almost \$12 million between 2003 and 2005 to build Martin Luther King Jr. Parkway.

Future earmarks

While SAFETEA-LU's earmarked projects have already been legislated, new projects may be earmarked in future yearly transportation appropriations bills. Local agencies can request earmarked funds for specific projects.

The House and Senate Transportation Appropriations Committees solicit earmark requests through a formal application process. Local jurisdictions can submit an application to their appropriate congress member.

But, of course, there are no guarantees. The political climate regarding earmarks can be almost as changeable as Iowa's weather.

For more information

See a summary of Iowa's SAFETEA-LU funding, including a complete list of earmarks, on Iowa DOT's website www.dot.state.ia.us/pdf_files/safetela_lu.pdf.

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