



## Federal Earmarks

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## Learning Objectives

- Define a federal earmark.
- Distinguish between solicitations and earmarks.
- Raise awareness about the federal earmark process.
- Develop an understanding of earmarks in Maryland and recent announcements.

## A Few Words

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- Federal financial assistance (grants and cooperative agreements) are created from a program statute, passed by Congress and signed into law by the White House.
  - Public law.
  - Authorization.
- Congress next passes an appropriation (\$) to provide funding for the authorization.

## A Few Words

After the authorization and appropriation, federal agencies will publish solicitations for the grant opportunity, and the pre-award solicitation process begins.

Applicants apply through [grants.gov](https://www.grants.gov).

## A Few Words

- The federal earmark is another process apart from the solicitation process that may provide support for special projects.
  - Congressional representatives are key.
  - Process varies among states.
  - The request starts with the appropriation first, then the authorization second.

## Define a Federal Earmark

## What Is An Earmark?

- Funds to be set aside for a particular purpose.
- In legislature procedure, an additional provision added to a bill, generally involving a set-aside of funds for a project.



## Background

- 1789 Part of federal budget since the first Congress.
- 1990s Appropriations committees in House and Senate streamlined the process, which Congress codified.
- 2000s High profile scandals in both parties.
- 2011 Practice of earmarks was banned.
  - "Targeted" funding still in practice.
- 2021 Practice formally re-instated.

## How It Does and Doesn't Work

- An earmark neither creates new legislation, nor adds new funding to a bill.
- An earmark does add a provision to an existing bill, generally an appropriations bill, to reserve or set aside some of the funds already within that bill, for a project.

## Detractors and Supporters

- Detractors of the earmark process say:
  - Pork barrel spending for special interests.
  - Spending that circumvents the funding process.
  - Self-promotion of a Congressional member to gain votes.
- Supporters of the earmark process say:
  - Funding that benefits local projects.
  - Congressional member promotes transparency.
  - Process that allows Congress to address local needs.

## Uses of Earmarks

- Funds for new projects.
- Funds to replace lost funding.
  - NASA's New Horizons Project – images of Pluto.

## Difference Between Solicitations and Earmarks

## Financial Assistance Solicitations

- Financial assistance works toward the public good.
- Financial assistance has:
  - An authorization (program statute) – first.
  - An appropriation – second.
- Federal agencies will publish solicitations on Grants.gov.

## Financial Assistance Solicitations

- Nonfederal entities apply through Grants.gov.
  - Formula/mandatory grants.
  - Discretionary grants.
- Federal agencies review applications and make awards.

## Earmarks

- Earmarks also work toward the public good.
- Earmarks start with an appropriation, not a program statute.
- Congressional representatives announce earmark opportunities from appropriations committees.
- Nonfederal entities apply through their Congressional representatives.
- Congressional representatives work through the appropriations committees and subcommittees.



## **Raise Awareness of the Earmark Process**

## Earmark Process

- Earmarks have a two-step process.
  - The appropriation - first.
  - The authorization - second.
- Applicants first work with Congressional representatives for the appropriation.
- If approved, applicants next work with an assigned federal agency for the authorization.

## Step 1 – The Appropriation

- Congressional offices announce earmark opportunities, often against a list of projects the Member of Congress is able to address and/or against a list of priorities from the subcommittees.
- Annual process, generally starts March/April.
- Members of Congress accept requests from constituents.
- Constituents submit short requests to the Member through a Congressional portal (not grants.gov).

## Step 1 – The Appropriation

- Usually a short timeframe.
  - Three days to two weeks.
- All selected projects are publicly vetted by the Member’s staff.
  - Eligibility of applicant.
  - “Fit” into one of the approved topics.
  - Any matching requirements, and if funds are secured.
  - Evidence of community support.

## Step 1 – The Appropriation

- Once staff completes initial vetting/review, the Congressional Member selects a limited number of projects (10) from all the submitted requests, and ranks them in order of priority.
- Some differences between House and Senate committees.

## Step 1 – House Appropriations

- House appropriations subcommittees:
  - Agriculture, rural development, FDA.
  - Commerce, criminal justice, science.
  - Defense.
  - Energy & water development.
  - Financial services and general government.
  - Homeland Security.
  - Interior, environment.
  - Labor, HHS, education.

## Step 1 – House Appropriations

- House appropriations subcommittees:
  - Legislative.
  - Military construction, veterans affairs.
  - State, foreign operations.
  - Transportation, Housing and Urban Development.

## Step 1 – Senate Appropriations

- Senate appropriations subcommittees:
  - Agriculture, rural development, FDA.
  - Commerce, justice, science.
  - Financial services and general government.
  - Homeland security.
  - Interior, environment.
  - Labor, health, human services, education.
  - Military construction, veterans affairs.
  - Transportation, Housing and Urban Development.



## Step 1 – Appropriation Committees/Subcommittees

	House	Senate
Total number of eligible accounts	42	60
Requires evidence of community support	Y	N
Requires Members to prioritize requests	Y	Depends
Limit on number of requests	Y	N
Requires hard copy of Member letter	N	Y
Source: Office of Congressman Steny H. Hoyer	(MD-5)	

## Step 1 – The Appropriation

- Members of Congress work with the appropriations committees or other committees currently working on bills before Congress.
- Reminder: earmarks do not create new funding or new legislation.
- Congressional members ask committees to amend their bill(s) by adding the earmark requests.

## Step 1 – The Appropriation

- Committees must agree to amend the language of their bill(s) to include the earmarks.
- When the appropriations bills are enacted into law, the included earmarks are approved.
- Step 1 provides the appropriation, but without an authorization.

## Step 2 – The Authorization

- After the appropriation is approved, the Member will next identify the most logical authorization.
  - An educational project would likely be assigned to ED.
  - Workforce training would likely be forwarded to DOL.
  - A community health center project would likely go to HHS.

## Step 2 – The Authorization

- The federal agency receiving the approved earmark will assign it to a similar program authorization.
  - Agency may request a written proposal from the recipient.
  - The proposal is considered noncompetitive.
  - The recipient will receive its earmark funding once the agency reviews and approves the program plan and budget, aligned with the authorization.

## Variations on the Process

- Every state manages the process a little differently.
- Every Member of Congress manages the process differently.
  - Sometimes it depends upon the available bills already in the legislative pipeline.
  - Sometimes it depends on the appropriations subcommittee preferences.
  - Sometimes it depends upon the Congressional Member's associated committees.

## Earmark Approvals

- Earmark requests are not guaranteed approval.
  - Must be added to a bill.
  - Bill must complete the legislative process and become law.
- Earmark requests that are ultimately approved become noncompetitive funding awards assigned to a federal agency.

## Earmarks in Maryland



## Members of Congress

- Constituents would work with the Maryland Members of Congress.
- Members post the earmark opportunity on their websites.
- Members sometimes send letters or email announcements.

## Senate Appropriations

- Committees are currently considering requests presented from Maryland Senators.
- Only state and local governments and 501(c)(3) nonprofits were eligible in this funding cycle.
- Projects had to qualify for specific purposes within each subcommittee.
- Press Release August 31, 2022
  - Proposed projects were announced.
  - Awards not final as of this writing.

## Senator Van Hollen Proposed Projects

- Energy and water
  - \$4,000,000 Talbot Cnty Chesapeake Bay Oyster Recovery.
  - \$468,000 Princess Anne Cybersecurity Research Training.
  - \$500,000 Dorchester County Hoopers Island Causeway.
  - \$1,000,000 Montgomery County Low Income Housing.
  - \$200,000 Queen Anne's County Queenstown Harbor.
  - \$650,000 Rockville, MD Potomac River Basin.
  - \$1,500,000 Goucher College Solar Panel Installation.

## Senator Van Hollen Proposed Projects

- Agriculture
  - \$839,000 Denton, MD Eastern Shore Farm to Freezer
  - \$700,000 Frostburg, MD Childcare Center.
  - \$43,000 Easton, MD Children’s Center Preschool.
  - \$375,000 Midland, MD Town Hall construction.
  - \$96,000 Town of Charlestown Stream Restoration.

## Senator Van Hollen Proposed Projects

- Commerce, Justice, Science
  - \$500,000 City of Baltimore Violence Intervention.
  - \$1,500,000 Bowie State U STEM Diversity in Research.
  - \$4,000,000 Mount St. Mary's U STEM Access.
  - \$2,000,000 Morgan State U Artificial Intelligence.
  - \$400,000 Anne Arundel County Fresh Start County Police.
  - \$520,000 Prince George's County State Attorney
  - \$1,000,000 Cecil County, Public Safety Worn Cameras

## Senator Van Hollen Proposed Projects

- Financial Services, General Government
  - \$257,000 Annapolis Afro-American Newspaper.
  - \$1,000,000 Baltimore City Community Lending.
  - \$1,000,000 MD Institute College of Art Baltimore.
  - \$1,000,000 Annapolis, MD Black Marylanders and Civil Rights Abroad.
  - \$1,000,000 Frederick, MD Innovative Tech Incubator.
  - \$2,250,000 University of MD Economic Opportunity.
  - \$2,000,000 Montgomery County Chamber, Veterans Insti.

## Senator Van Hollen Proposed Projects

- Transportation, Housing, Urban Development
  - \$4,000,000 Aberdeen, MD Train Station.
  - \$1,700,000 City of Bowie Allen Pond.
  - \$2,000,000 Baltimore City Dirt Bikes and Education.
  - \$5,000,000 Baltimore Penn Station, MARC/Amtrak.
  - \$4,000,000 Washington County Boys & Girls Club.
  - \$20,000,000 BWI Airport.
  - \$2,000,000 Anne Arundel County pedestrian and bike trail
  - \$10,000,000 Baltimore City Cal Ripkin Sr. Foundation

## Member Comments – August 31 Press Release

- “I am proud to announce these Congressionally Directed Spending projects that meet the direct needs of nonprofit organizations and local governments across Maryland,” Senator Cardin.
- “Securing direct federal investments for important local projects is one of my top priorities because they expand opportunity and improve crucial services for folks in our communities,” Senator Van Hollen.



## Project Summaries – August 31 Press Release

- \$1.6 million for public safety.
- \$2 million for economic development.
- \$5.5 million for affordable housing.
- \$7.5 million for health care.
- \$10.7 million for education, workforce development.
- \$17 million for community development, historical, and cultural initiatives.
- \$1.5 million for the environment.

## For More Information

- [https://appropriations.house.gov/transparency.](https://appropriations.house.gov/transparency)
- [https://www.appropriations.senate.gov/fy-2022-appropriations-requests-and-congressionally-directed-spending.](https://www.appropriations.senate.gov/fy-2022-appropriations-requests-and-congressionally-directed-spending)
- [https://www.appropriations.senate.gov/congressionally-directed-spending-requests.](https://www.appropriations.senate.gov/congressionally-directed-spending-requests)
- [https://www.cardin.senate.gov/?s=2023+earmark+process.](https://www.cardin.senate.gov/?s=2023+earmark+process)

## For More Information

- <https://www.cardin.senate.gov/press-releases/earmarks-baltimore/>.
- <https://www.appropriations.senate.gov/news/majority/breaking-chairman-leahy-releases-fiscal-year-2023-senate-appropriations-bills>.

## Summary

- Earmarks address a public good.
- Earmarks allow Congress to support local needs.
- Earmarks start with an appropriation, and once approved, are assigned to the most logical federal agency with similar authorized programs.
- Applicants work through their Congressional representatives first, and then with their assigned federal agency.

## Q & A

## Friendly Disclaimer

Please be reminded:

*This presentation is intended to provide general information and does not constitute legal or financial advice. Please consult with your legal and financial advisors. I hope, however, that the information helps provide some insights as you further pursue your work in the grants community.*

## Prepared For



- Maryland Governor's Grants Office.
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**Prepared By**

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