

Welcome to Russ Reid's fifth biweekly e-newsletter,

Mark on Earmarks!

By: Mark McIntyre

Voters are angry. That's understandable. Unemployment is high. The economy is weak. And Washington doesn't seem to be producing much bang for our taxpayer buck.

What's confusing is this: Some incumbents and candidates are stoking the ire by pledging, "Elect me and I'll deal with federal spending by eliminating earmarks!"

Really?

If earmarks are eliminated from the \$3.8 trillion federal budget, how many dollars would be saved?

\$10 billion? \$50 billion? Do I hear \$100 billion?

The number you are looking for is, actually... \$0.

Really? Yes.

Here's why: earmark dollars are spent out of pre-determined spending levels, known in the legislative lexicon as 302(b) allocations, for each of the 12 annual appropriations bills. That is, earmarks represent carve-outs, rather than additions.

In the rare moments when an Appropriations Subcommittee passes a bill without earmarks, it doesn't change the allocation -- the overall amount spent -- by a single penny.

This actually happened a few years ago when two House and Senate Subcommittee Chairmen squared off like two bulls with stiff necks. Long story short, when neither Chairman would budge, they passed their \$602 billion bill sans earmarks.

Months later, the House Chairman asked me over dinner, "Do you know how much money we saved?"

I replied, "Yes, zero."

"You're right!" he exclaimed, shocked that I answered correctly.

The funding that wasn't designated for earmarks flowed to the federal agencies to be spent there, at the discretion of bureaucrats.

So what's this debate really about? I'll provide answers in my next e-newsletter.

Next e-newsletter (June 15): what the earmark debate is really about.

If you have a question about the appropriations process that you would like me to address in a future newsletter, or if you would like to learn more about how Russ Reid can help your organization secure significant federal funding through the appropriations process, please contact me via phone or e-mail at 202-912-8622 or mark.mcintyre@russreid.com.

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