



Massachusetts
Taxpayers Foundation

Conference ARPA Legislation: *A Closer Look at Earmarks*

MTF Info Presentation



What is an earmark?

- Line-item language that directs an amount of a larger appropriation to a specific use.
- Two types:
 - Programmatic earmarks. A carve out of funds for a dedicated state program, budgeted fund, or particular use that is not specific to a location, project or non-public organization
 - Local/project/entity earmarks (LPE). LPEs set aside funds for a specific use in a named community, for a specific project or for a non-public entity. References to earmarks generally typically refer to this type.

Earmark Examples

- Programmatic Example:

- “provided further, that not less than \$37,500,000 shall be transferred to the Workforce Competitiveness Trust Fund established in section 2WWW of chapter 29 of the General Laws...”

Local/Project/Entity Example:

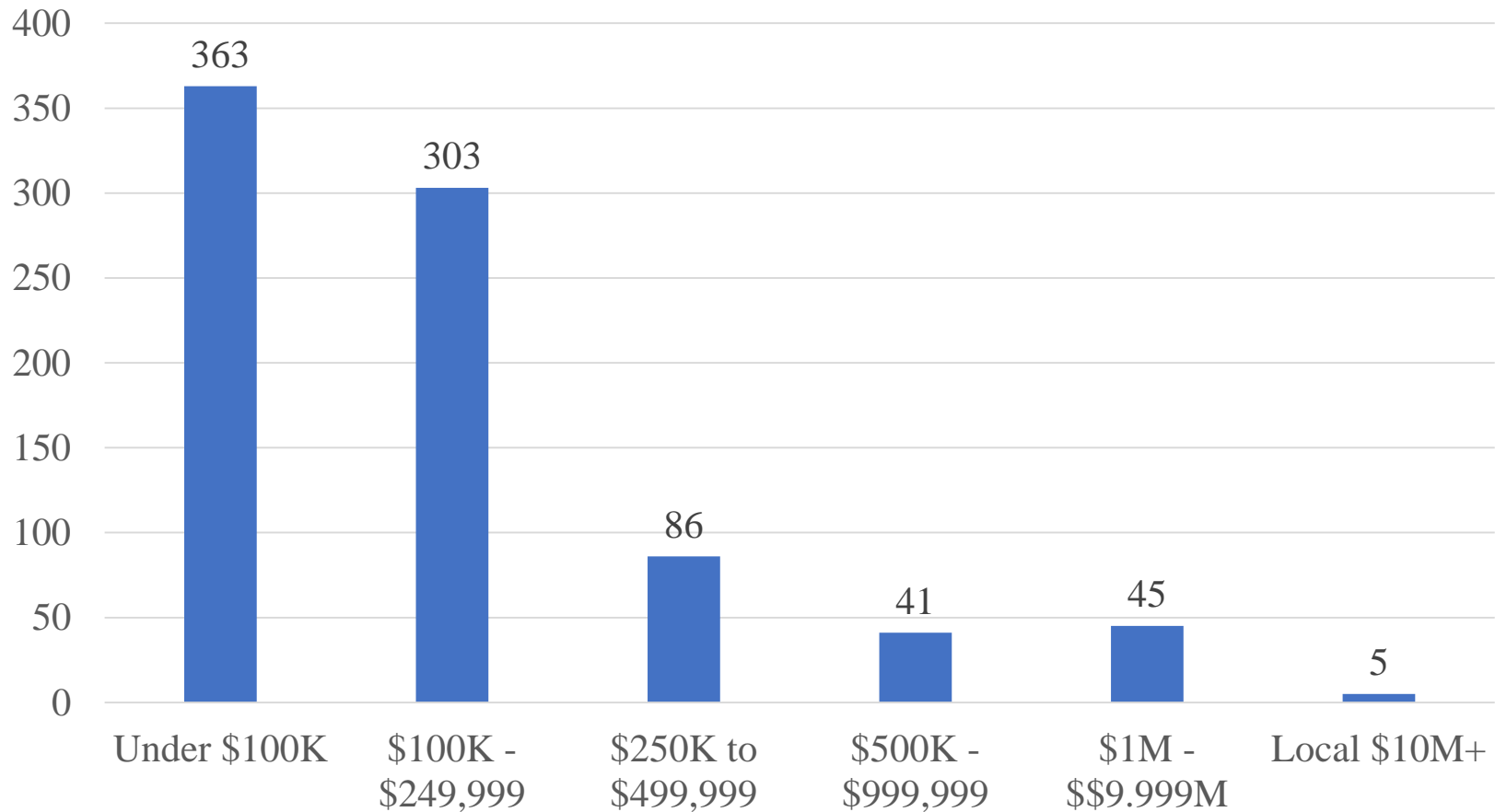
- “provided further, that not less than \$1,500,000 shall be expended for Community Servings Inc. for a 1-time investment to support integrations necessary to provide statewide medically-tailored meals to persons battling chronic illnesses...”

LPE Earmarks in ARPA Bill

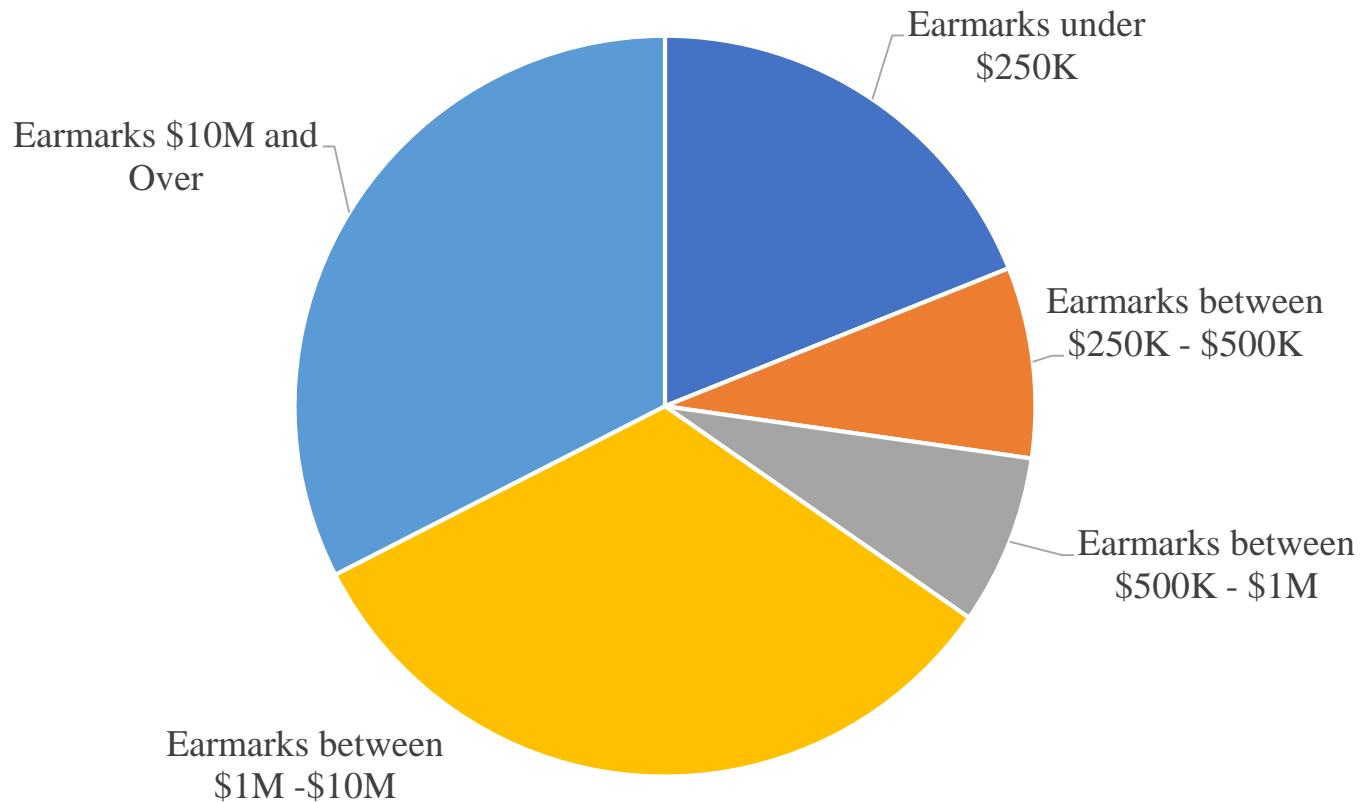
Descriptive Stats:

- Total Number = 843
- Total Amount = \$304.4 million or 7.6% of total spending in the \$4 billion Conference report
- Average Earmark = \$361,132
- Median Earmark = \$100,000
- Most common amount = \$50,000
- Range in value from \$5,000 to \$50 million

LPE Earmarks by Dollar Amount



Breakdown of LPE Spending by Earmark Size



LPE Earmark Placement

LPE earmarks are included in the Conference ARPA bill in two primary ways:

- 13 line-items were dedicated solely to earmarks
 - 514 of the 843 LPEs are earmarked this way
- 8 line-items included LPE earmarks within a larger program
 - 329 LPE earmarks are included in programmatic items
 - The majority of these (178) appear in the line-items to support cultural assets or combat food insecurity

Impact of LPE Earmarks on Program Spending

- In two primary instances, the inclusion of LPE earmarks in a programmatic item, significantly reduced grant amounts proposed in either the House or Senate versions of the bill:

<i>Cultural Assets</i>			
	LPE Earmarks	Total Spend	Prog. Spend Available
House	\$0.0	\$125.0	\$125.0
Senate	\$0.0	\$75.0	\$75.0
Conference	\$74.8	\$135.0	\$60.2
<i>Food Insecurity</i>			
	LPE Earmarks	Total Spend	Prog. Spend Available
House	\$20.8	\$57.2	\$36.4
Senate	\$25.0	\$60.0	\$35.0
Conference	\$30.5	\$44.8	\$14.3

\$ in millions

Things to note

- The distinction between programmatic and LPE earmarks can be subjective and distinctions are not always clear cut
- In many cases, earmarks may be directed to programs that would otherwise have received grant funding
 - For example, cultural asset/food insecurity grant programs will provide support to local organizations around the state through a competitive grant-making process
 - Earmarks guarantee specific organizations funding from within the larger pool that would otherwise be available for grants