

Hicks-Ray Associates



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TO: WESTCAS Membership

FROM: Fred B. Hicks and Tom Ray

SUBJECT: The Impact of Members of Congress Not Requesting Water Projects

Several WESTCAS members have asked Hicks-Ray to address the issue of how federal funding for water infrastructure projects may be impacted if Members of Congress chose not to request or sponsor these projects. We're talking here about the impact of the "no earmark rule" in the 112th Congress.

While there is a growing consensus that many traditional earmarks that fund roller skating rinks, flower shows, etc. may be essentially eliminated, this still begs the question of how water resources infrastructure is going to be authorized and then appropriated if the pledge of the House and Senate Republicans is carried out. Remember, Water Resource Development bills feature a little policy and page after page of line-item projects requested by Members. Most current Title XVI projects are funded through individual stand-alone authorizations.

What happens when Members are no longer able to request water resources projects but must instead rely wholly on the Federal agency to budget for these efforts?

For Corps of Engineers Environmental Infrastructure funding, this effort goes away entirely. The simple reason for this is that EI [largely water and wastewater projects] is not one of the core missions of the Corps of Engineers. As a result, the Corps cannot budget for these projects even if it wanted to. There are no exceptions to this rule.

What is the impact on the water community? Let's look at some funding history. The Corps EI account is usually funded at about \$140 million each year, including FY10. In addition to this \$140 million, there was a further \$200 million in ARRA funding. That's a total of \$340 million that has been obligated to water resources projects just over the past 18 months and that will now completely go away.

Another example is Bureau of Reclamation Title XVI water reuse funding. The majority of Title XVI funding now comes through the funding requests of Members of Congress. Regular Appropriations for Title XVI in FY09 were \$39.2 million. This was reduced to \$13.6 million in FY10. But an additional \$126 million was added to this through ARRA. It must also be remembered that the Bureau has opposed all new Title XVI authorization bills under the argument that the backlog must be reduced before new projects are added.

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Bottom line is that of the \$340 million in FY10/ARRA funding from the Corps which will totally go away and the almost \$140 million for FY10/ARRA Title XVI funding almost all of which will disappear, we are looking at almost \$500 million for water resources infrastructure that has been available over the past 18 months that won't be in the future. The Bureau did just announce a solicitation for \$20 million in Title XVI funding but that is a pale reflection of the \$140 million that has been spent since the spring of 2009.

There are two big questions here.

- First, if Federal discretionary funding must be cut drastically, should water resources infrastructure take an equal hit with regard to all other Federal programs?
- Second, should these decisions be entirely left to Federal agencies or should Members of Congress be able to request projects on behalf of their states and districts?

WESTCAS Members need to think carefully about how they would answer.