Member Designated Projects Overview

April 13, 2021

Background

The US House and Senate are both working on preparing the next big, multi-year funding bill for transportation. These funding bills are traditionally known as authorization bills or reauthorizations. The current multi-year transportation bill that we are operating under is called the Fixing America's Surface Transportation (FAST) Act. The FAST Act is set to expire at the end of federal fiscal year 2021. Congress' current goal is to pass a new transportation bill prior to the start of federal fiscal year 2022 on October 1, 2021. The House and Senate are both preparing their own versions of the bill, which will ultimately need to be reconciled and passed before being signed in to law.

The House Transportation and Infrastructure Committee recently announced that they will be including "Member Designated Projects" (earmark projects) in their version of the bill. House Members have since opened solicitations for projects to include in the bill.

Mechanics and Limitations of Member Designated Projects

Logistically, earmark projects can be funded one of two ways:

1.Use "existing money": The project is funded through State's existing allocation. (ex: project funding will come from State's STBG apportionment). The total pot of transportation funding does not change. Funding an earmark project means another project cannot be funded. A zero-sum scenario.

2.Use "new money": Congress designates new funding to pay for projects beyond what comes to State in apportionments. The overall transportation pot gets larger. Similar to BUILD or INFRA Grants.

Historically, earmark projects have been funded using "existing money"; however, the House has not indicated how the new Member Designated Projects would be funded.

If Member Designated Projects are funded with exiting money, those projects will be subject to the Strategic Transportation Investment (STI) Law. North Carolina's STI Law requires all federal aid funding to compete through the State's Strategic Transportation Prioritization (SPOT) process. This law allows exceptions for projects funded through discretionary programs that are outside of statewide funding allocations (BUILD, INFRA, etc). NCDOT's interpretation of this law means that if projects are funded with existing money, NCDOT will not be able to release funding to the project unless it has competed and scored high enough in SPOT to receive funding. This drastically limits the amount of projects eligible to benefit from receiving funding through a Member Designated Project award.

MPO Support of Member Designated Projects

House Members have requested letters of support from MPOs as a part of their project submittals. This has introduced the question of what response the CAMPO Executive Board should have when requested to provide a letter of support for member agencies submitting requests for "Member Designated Project" funding. Earmark funding has not been included in transportation reauthorization bills in the past ten years, leaving a gap in historical precedent on CAMPO's policy on supporting projects that could negatively impact already-funded transportation projects in the region.

Discussion at the TCC around these issues focused largely around the uncertainty of how Member Designated Projects would be funded. Deadlines set in place by House Members for project submittals from local governments would come before knowledge of funding sources would be available. Since there could be negative impacts to other projects in the region if Member Designated Projects were funded with existing money, there was hesitancy to recommend a broad support for all project submittals. The concern of the region potentially losing out on new project funding if no projects were submitted and Member Designated Projects were ultimately funded with new money was also noted. The TCC provided a recommendation to allow a contingent letter of support for projects applying for Member Designated Project. The TCC also addressed the opportunity to express support for funding these projects with new money prior to the reauthorization bill being finalized.

Recommend Member Project Designation Support Policy to the Executive Board:

1) Contingent upon current information, CAMPO will endorse/support local government to move forward in their project funding requests contingent upon new monies. Recognize/acknowledge NCDOT will require STI compliance.

2) CAMPO Submit a letter to congressional delegation suggesting Member Designated Projects be funded with new monies so that existing projects already underway don't get negatively impacted by earmarks. CAMPO will connect with NCAMPO for similar letter.