

Q. How long do we have to spend the project money?

A. Ask your DOT&PF Planner to find out the time constraints on the project. Each type of funding has different spending timeframes and some may have extended time limits.

Q. Who will maintain the new road or project improvements upon construction completion?

A. The DOT&PF requires the project sponsor to sign an agreement committing to maintenance and ownership of the facility after project completion, generally 20 years.

Q. Can another agency administer the earmark project for the sponsor?

A. Yes, if the other agency is willing to accept responsibility for project administration and FHWA approves. The Federal Transit Authority and Western Federal Lands Highway Division are two examples. Other agencies also have administrative costs associated with their program. The DOT&PF Planner will initiate contact with the appropriate agencies on behalf of the sponsor to identify the most suitable oversight agency. Some funding programs only allow the DOT&PF to administer the project.

Q. Can the earmarks be diverted to the hurricane disasters?

A. Congress could pass changes to the law. Recently a federal-aviation discretionary grant, anticipated in Alaska, was diverted to Louisiana.

Please contact the DOT&PF Planning office in your area for further information:

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State of Alaska

**Department of Transportation
and Public Facilities**

**FEDERAL HIGHWAY EARMARKS:
FREQUENTLY ASKED QUESTIONS
AND ANSWERS**



The new highway bill, SAFETEA-LU, includes many funding earmarks for specific projects. The State of Alaska DOT&PF has created this brochure to assist project sponsors in understanding how earmark projects are implemented through the DOT&PF.

**FEDERAL EARMARKS:
FREQUENTLY ASKED QUESTIONS AND ANSWERS**

Q. Why is the total amount of the earmark less than what is shown in the authorizing legislation?

A. Federal takedowns and rescissions reduce the total amount available for the project. These deductions are defined in SAFETEA-LU and annual appropriation laws. We currently estimate 85% of authorized funds will be available. This could change in the future.

Q. We asked for \$11 million for our project and received a \$2 million earmark. Will the DOT&PF make up the funding deficiency to complete the project?

A. Typically, the project will be limited to the available earmark funding and the scope will have to be decreased to be compatible with the limited available funding. The DOT&PF will not make up the shortfall unless the earmark clearly serves a broad state purpose, is of sufficiently high priority and funds are available.

Q. How long does it take to complete an earmark project?

A. The time varies considerably depending on the scope of the project. The environmental process alone may be less than six months or up to three or four years. If sufficient funds are not available, the project may be suspended.

Q. What is the project development process for an earmark project?

A. The DOT&PF must follow the process it uses for other federally funded Statewide Transportation Improvement Program (STIP) projects. This involves the following phases: preliminary design, environmental, final design, right-of-way, utilities and construction.

Q. Why does it take so long after the authorizing legislation for a project to begin?

A. First, FHWA must make the calculations required in the new highway bill, SAFETEA-LU, usually more than a month after the President signs the bill. The DOT&PF Planner must identify the project sponsor, the intent of the project and the estimated total cost. Original earmark applications are not shared with the DOT&PF, so we may request conference notes and reports from Congress to identify the sponsor. Federal earmark projects must be included in the STIP before a project may be started with the FHWA. Thus, an amendment to the STIP is required. Also, the State Legislature has to give the DOT&PF authority to spend the money in the State Capital Budget. The Capital Budget usually becomes effective in July of each year. Locating the project sponsor can also be time-consuming.

Q. What is required to get our earmark project into the STIP?

A. The sponsor should forward the name of the project sponsor, a description of the project and the total estimated project cost. The scope must meet the federal rules of eligibility and other factors.

Q. Can we get all of the funding immediately?

A. Usually not. Most earmarks come in annual increments over the next five years; there are some that flow in a lump sum. SAFETEA-LU authorized funding for each earmark but did not appropriate the full funding. In nearly every case, the funding will flow over the life of the bill, or 5 years. Sponsors should not plan on the funding being fully available until the last year of the bill. DOT&PF planners will work with the project sponsor on the project schedule.

Q. Why can't the DOT&PF transfer the earmark directly to the local organization that requested the funding?

A. Transferring an earmark requires FHWA and DOT&PF concurrence. Earmarks are not grants and have federally required rules and limitations, such as matching funds, fulfilling the environmental process and meeting eligibility rules. Contracting, certification of right-of-way and other rules may also apply. Also, the federal-aid program is designed to be a reimbursable program, with progress payments on monthly intervals, after the work being reimbursed is completed. Unless the community has the appropriate staff and an accounting system to develop the project, DOT&PF may develop the project directly on behalf of the Sponsor.

Q. Can the rules be waived since Congress authorized the funds for the purpose of our project?

A. No. The US DOT through FHWA requires that the DOT&PF enforce the full set of federal rules on all sub-recipients. Further, the FHWA is not staffed sufficiently to work with each earmark recipient and thus requires the

DOT&PF to oversee the project. FHWA requires DOT&PF to administer each project through a stewardship agreement.

Q. What is the DOT&PF's administrative cost in the project development process?

A. Currently, DOT&PF's administrative charge is 4.3% of the total project cost, although this cost can vary from 4–8%; it is adjusted every year. This does not include charges for staff who work on the earmark project to ensure that it follows federal guidelines.

Q. How much is the match requirement for earmark projects?

A. This depends on what section of the highway bill authorized the earmark. Match will normally be 9.03% although some requirements may be as high as 50%.

Q. How does the DOT&PF's Local Sponsor Match policy affect earmark projects?

A. If there is a match requirement, the DOT&PF requires a Match Agreement with the sponsor prior to the project start. Lack of match funding can cause a delay in the project start or cause a project not to move forward at all.

