FISCAL YEAR 2026 CONGRESSIONALLY DIRECTED SPENDING GUIDANCE

Eligible CDS Accounts and Requirements

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Agriculture, Rural Development, Food and Drug Administration, and Related Agencies (AG)

Following enactment of the FY26 funding bill, CDS recipients must apply for funding through the normal agency application process. Members must certify that a recipient of a CDS can meet ALL program requirements, including cost-share or matching requirements. Below are specific requirements for accounts through which Members may make CDS requests. The Subcommittee will not fund CDS items if a recipient CANNOT meet all program requirements.

Agricultural Research Service, Buildings and Facilities (ARS B&F)

Requests for ARS B&F may only include funding for existing facilities or facilities where funding has been provided in the past. Facilities must be ARS-owned.

National Institute of Food and Agriculture, Research and Facilities Act Program (NIFA RFAP)

Eligible qualifying institutions (Land Grant Universities, Non-Land-Grant Colleges of Agriculture, and other eligible entities as defined in section 7 U.S.C. 6971(f)(1)(C)) may request funds for constructing, purchasing, updating, renovating, or modifying agricultural research buildings to conduct research in the areas of agriculture and food sciences. Funds may be used to fund site design, purchase and installation of permanently affixed equipment for research, as well as for construction or renovation of buildings or sites for agricultural research facilities or other facilities that store agricultural research experimental samples.

CDS recipients must provide a 100% non-federal match for any RFAP award. Recipients cannot move forward without a commitment to match funding before obligation. Not more than 3 percent of the CDS funding shall be available to pay for administrative costs. Construction projects are subject National Historic Preservation Act (NHPA) and National Environmental Policy Act (NEPA) review, and must comply with Build America Buy America requirements. Learn more about RFAP here.

Animal and Plant Health Inspection Service, Salaries and Expenses (APHIS S&E)

Requests for APHIS S&E must align with APHIS' mission and must meet environmental review requirements (i.e., NEPA and ESA). Learn more about APHIS' programs here. The period of availability for APHIS CDS will be one-year funding (i.e., until the end of the fiscal year).

Natural Resources Conservation Service, Watershed and Flood Prevention Office (WFPO)

CDS recipients for WFPO must have a local sponsor. Eligible local sponsors can be any State, political subdivision, soil or water conservation district, flood prevention or control district, or combinations thereof; any irrigation or reservoir company or water users' association; or any Indian tribe or tribal organization.

Any individual project may not exceed a watershed or sub-watershed size of 250,000 acres. At least 20 percent of the project's benefits must be directly related to agriculture.

Projects are required to complete a four-step process including:

1. Preliminary feasibility study (PIFR)
2. Watershed Plan development
3. Implementation of Watershed Plan
4. Commencement of construction for authorized watershed conservation

If a project is a "new start," it is eligible only for PIFR funding at a level of $55,000. Funding cannot be requested for stages 2-4 until the PIFR is completed (this includes projects where the PIFR is in progress). Offices are encouraged to request funding for projects that are nearing the construction stage.

Requests must include the following information:

- Local sponsor
- Confirm coordination with the Natural Resources Conservation Service State Conservationist
- Indicate for which phase of the project funding is requested

Rural Development, Community Facilities Grants

The following project and applicant eligibility criteria must be met **prior to** a CDS request being approved:

The Community Facilities (CF) Grant program has a match requirement on a sliding scale based on the community population size of where the project will be located. CF Grants can cover up to 75 percent of the total project costs. Rural Development (RD) verifies an applicant's population size from the most recent census.

This program will fund **up to** 75% of total project costs, with match requirements based on population as follows:

- Maximum of 75 percent when the proposed project is located in a rural community having a population of 5,000 or fewer;
- Maximum of 55 percent when the proposed project is located in a rural community having a population of 12,000 or fewer;
- Maximum of 35 percent when the proposed project is located in a rural community having a population of 20,000 or fewer.

Towns with populations over 20,000 are not eligible for this program.

In general, CF matching funds must come from a non-Federal source (must be a cash match; it cannot be in-kind). However, there are two exceptions: (1) sometimes a Federal source will state that it can be used as a match for Federal Grants and (2) when a Federal source loses its Federal identity -- such as CDBG funds that are distributed through a Governor's office (not the CDBG entitlement funding) -- a CF project having these funds as a part of the capital stack can be a part of the applicant required contribution. While an applicant does not need to have its match in hand at the time of submission they must have their match at the time of obligation. If applicants fail to have their match within three years of enactment of the final bill, funds may be swept back into the general CF account.

CDS requests will be considered outside of the CF state allocations. Therefore, the sole cap that will determine the maximum grant assistance is the match requirement as described above. The average CF

CDS project size funded in FY24 was $1,000,000. When considering which CDS requests to submit to the Subcommittee, this is a good baseline to use.

In order to best determine the eligibility of the request, the following information must be provided

- Recipient
- Intended use of funds and how the completed construction/acquisition will be used. Please provide as much detail as possible. For example, "the funding will be used to build three new classrooms to teach English." A full list of eligible entities, uses, and limitations can be found here: 7 CFR Part 3570
- Both the requested CDS dollar amount and the total cost of the project (in thousands of dollars)
- Project location

Funds may not be used for the following activities:

- To reimburse funds for projects already constructed/acquired or projects that will be completed by the passage of the final bill;
- To pay initial operating expenses or annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses (unless a CF loan is part of the funding package);
- To fund facilities to be used primarily for recreation purposes; and
- To fund facilities to be used primarily for business entrepreneur purposes.

This program is subject to the Build America Buy America Act (BABAA) requirements which will apply to the total project cost, not just the Federal cost-share portion. Applicants must also meet environmental review requirements (i.e., NEPA). Applicants must complete an application if awarded a CDS in the final bill.

Note: there are several set-asides within the CF grant program, but CDS requests will only be eligible for the general CF Grant program.

https://www.rd.usda.gov/about-rd/grant-awards

Rural Development, Distance Learning and Telemedicine Grants

The following project and applicant eligibility criteria must be met **prior to** a CDS request being approved:

- There is a flat 15 percent match (matching funds cannot come from another Federal source).
- Full list of eligible entities, uses, and limitations can be found here: 7 CFR Part 1734 Subpart A and B.
- The maximum grant size is $1,000,000.
- Reminder, even though for-profit entities are generally eligible for this program, they are not eligible for CDS requests.
- Broadband deployment is **not** an eligible use of funds for DLT.
- Applicants must complete an application with RD if awarded a CDS in the final bill.

Commerce, Justice, Science, and Related Agencies (CJS)

CDS requests should fund local projects that further the missions of CJS agencies by increasing the understanding of the oceans and the atmosphere, protecting our communities, and promoting space- or standards- related science. There must be a clear, demonstrable nexus to the applicable agency's missions and programs, and the request should articulate that nexus.

CDS requests must include **ALL** of the following information:

- Project Name – Please include only a short description of the project in this field – and not the project's location or recipient name – to avoid redundancy, as the "Project Name" field is next to the "Location" and "Recipient" fields.

  Example:
  - Correct –
    Public Safety Communications Equipment Upgrade

  - Incorrect –
    Town of X Police Department Public Safety Communications Upgrade

- Project Purpose – This is a short description that will appear in CDS disclosure tables. It should not be the name of an existing program, project, or activity but rather a description unique to your CDS request.

- Project Detail – This description should provide a brief (250 words or less) summary of the project, including its purpose, goals, history and current status, as well as the justification for the project (i.e., why funding is in the interest of taxpayers). The description should explain how the money will be spent (i.e., $-x- for programming, $x- for equipment, etc.). Be specific when describing the activities and expenditures. The project detail should also state what performance standards will be used to measure whether this project has achieved its objectives. This description must be complete on its own and may not simply incorporate supporting materials by reference. Within the project detail, please indicate if the project or recipient received CDS funding in FY2022, in FY2023, or in FY2024. If so, the request should differentiate the FY2026 request from the prior year funding and explain how the project will be sustained over time without CDS funding.

- Member's Request – The amount of funding requested for the CDS project, in thousands of dollars ($000). For example, a request for $1 million would be entered as $1,000.

- Project City or County / Project State – The name of the city or county and state where the project will take place. Please note that this information will be included in CDS public disclosure tables. Locations must be entered in format of, for example, "Indianapolis, IN" or "Marion County, IN".

- Project Recipient Information – Please include the name, address, and Federal Employer Identification Number (EIN) of the legal entity that will receive the CDS. This is the entity that would serve as the fiscal agent responsible for executing the CDS funding with the federal agency. Please note that the recipient point of contact must be an individual employed by or affiliated with the organization that would administer the Federal funds.

The Subcommittee recommends that CDS projects create private sector jobs, advance research and development, or save lives. CJS CDS projects should not be viewed as continuous funding sources and should be distinct from competitive grant opportunities at the relevant agencies. As a general matter, funding should be for one-time costs that do not create permanent resource requirements for the recipient. CDS projects should be viewed as a way to jump start or complete an activity – not sustain it over time. Requests should budget for only one year of funding and not multiple years. Successful CDS requests will match the project to the authorization or mission of an agency or account and have the support of local officials or communities.

National Institute of Standards and Technology; Scientific and Technical Research Services; External Projects (NIST STRS)

The Subcommittee will accept CDS requests for NIST STRS. Projects should address scientific, technological, and standards-related research and technology development, limited to equipment and limited contracting. There must be a clear, demonstrable nexus to the research component of the project and to a NIST research program. Construction projects will not be accepted. NIST allows minor alterations in terms of "retrofits," based on how the agency utilizes STRS internally, including electrical and/or HVAC upgrades, and other minor modifications (e.g., expanding a door or putting up a partition wall). Anything that could be considered new construction (e.g., pouring a foundation or erecting walls or a roof) is not allowable.

NIST Construction of Research Facilities, Extramural Construction

The Subcommittee will accept CDS requests for NIST Extramural Construction projects for non-Federal research facilities, including for projects at research institutions and colleges and universities. However, given the significant investments necessary for construction projects, only a very limited number of projects will be supported on an annual basis. Member office staff are strongly encouraged to contact Subcommittee staff to discuss individual projects prior to submission.

NOAA; Operations, Research and Facilities (ORF), Special Projects

The Subcommittee will accept CDS requests for NOAA ORF. Projects should address fisheries, marine mammals, ocean, coastal issues, climate, weather, atmospheric research, data acquisition, and forecasting programs. Construction projects will not be accepted.

DOJ Byrne Discretionary

The Subcommittee will accept CDS requests for Byrne Discretionary projects. Projects should provide additional personnel, equipment, supplies, contractual support, training, technical

assistance, and information systems. All projects must have a nexus to the criminal justice system, and funding cannot be used for land acquisition or construction. For additional guidance on allowable expenses, please consult with the Subcommittee. CDS requests funded in a final bill will be subject to the requirements of 2 CFR Part 200 and the DOJ Grants Financial Guide.

DOJ COPS Law Enforcement Technology and Equipment

The Subcommittee will accept CDS requests for COPS Law Enforcement Technology and Equipment for the development of technologies and automated systems to assist law enforcement agencies in investigating, responding to, and preventing crime. Recipients shall include State, local, Tribal, and territorial governments and their public agencies (for example, police and/or sheriff's departments). Allowable activities are limited to the statutorily allowable purpose areas under the COPS Office statute, including the procurement of equipment, technology, or support systems, and the development of new technologies to assist recipient entities in reorienting the emphasis of their activities from reacting to crime to preventing crime. For additional guidance on allowable expenses, please consult with the Subcommittee. CDS requests funded in a final bill will be subject to the requirements of 2 CFR Part 200 and the DOJ Grants Financial Guide, and the applicable Award Owner's Manual. The Subcommittee strongly encourages Member office staff to review the guide and manual prior to project submission.

NASA Safety, Security and Mission Support (SSMS)

The Subcommittee will accept CDS requests for NASA SSMS. Projects should focus on science education, research, and technology development related to NASA's mission. Medical research projects and projects at NASA owned Visitor Centers or a State's designated Space Grant Consortium will not be funded. This account cannot fund construction but may be used for equipment, research funding, or education programs.

Energy and Water Development (EWD)

EWD will ***only*** consider CDS requests for items in the following accounts:

- Corps of Engineers: Investigations
- Corps of Engineers: Construction
- Corps of Engineers: Operation & Maintenance
- Corps of Engineers: Mississippi Rivers & Tributaries: Investigations
- Corps of Engineers: Mississippi Rivers & Tributaries: Construction
- Corps of Engineers: Mississippi Rivers & Tributaries: Operation & Maintenance
- Bureau of Reclamation: Water and Related Resources
- Department of Energy: "Energy Projects" Account will include the following topic areas: o Energy Efficiency and Renewable Energy o Electricity
    - o Cybersecurity, Energy Security, and Emergency Response o Nuclear Energy
    - o Fossil Energy and Carbon Management

Corps of Engineers & Bureau of Reclamation

- Only authorized projects and programs will be considered for funding.
- For the Corps of Engineers, with the exception of Operation and Maintenance, an authorized project or program that has not received funding in prior years is considered a new start. With few exceptions, a new start requires an identified non-Federal sponsor to be eligible for funding.
- It is the practice of EWD to only provide funding that can be executed in the year of appropriation, and therefore CDS eligibility is further limited by the capability of the agency to obligate the funding. CDS requests for both the Corps of Engineers and Bureau of Reclamation are provided to the agencies (both prior to Senate mark and at conference) for technical assistance to verify authorization and capability. This means that, at conference, CDS amounts can be reduced from Senate or House mark levels based on a reduced capability, as determined by the agencies.

Department of Energy

- Requests must fit under at least one of the five topic areas listed above and be submitted in the "Energy Projects" account. Successful projects will be in line with current Department of Energy missions that focus on transformative science and technology research, development, and demonstration under the five topic areas listed above. This includes requests that are not eligible for funding through tax credits or other federal incentives.
- Statutory cost sharing requirements may apply to these projects, as required by section 988 of the Energy Policy Act of 2005, and will be dependent on the scope and technological maturity of the project. The following are the general cost share assumptions:

    - o Research or development activities of a basic or fundamental nature: no minimum cost share.
    - o Research or development activities of an applied nature: 20 percent cost share.

- Demonstration or commercial application: minimum 50 percent cost share.

- Further, the Subcommittee **will not fund** the following projects:
  - Projects that require multiple years of funding.
  - Construction of new facilities and buildings.
  - Vehicle charging projects, unless the project is connected to larger clean energy sources (like a battery) or has clean energy applications beyond the charging station.
  - Electrical substation replacement or routine grid upgrades that could otherwise be funded under ratepayer contracts or through existing federal incentives.
  - Planning studies for a forthcoming project.
  - Clean energy projects that do not show transformative or emerging technological solutions. For example, solar panels, battery storage, or light bulb upgrades without any transformative technology or integrated energy system associated with it.
  - Planning studies for NetZero goals, for example "City of X seeks $500K for a NetZero planning document/report."

Financial Service and General Government (FSGG)

CDS projects should not be viewed as continuous funding sources and should be distinct from competitive grant opportunities at the relevant agencies. CDS projects should be viewed as a way to jump start an activity not sustain it over time.

Required information for FSGG CDS requests:

- **Agency or Account** – Projects will only be funded from the accounts listed above.
- **Recipient Name** – Name of legal entity that would receive the CDS, which must be a governmental or not-for-profit entity. This is the legal entity that would serve as the fiscal agent responsible for executing the CDS funding with the federal agency. This is how the recipient's name would be published in the Committee report accompanying the bill.
- **Project Name** – Unique name of the project, to easily identify and distinguish the project. This is how the project's name would be published in the Committee report accompanying the bill.
- **Project Purpose** – Brief description of the project (no more than 1-2 sentences).
- **Project Detail** – More detailed summary of the project including its purpose, goals, history and current status. Please provide an estimated spend plan for the requested funding, breaking down anticipated expenditures in major categories (i.e., $X for programming; $X for equipment; etc.).
- **Recipient Address, City, and State** – Address for the legal entity that will receive the CDS.
- **Recipient Point of Contact Name, Phone Number, and E-mail Address** – Contact information for POC at the recipient organization. This must be an individual employed by or affiliated with the recipient organization.
- **Tax Identification #:** Tax Identification Number for the recipient.

FSGG CDS Eligibility Requirements:

CDS requests must meet all applicable eligibility requirements for the program in which the request is made. Please see below for eligibility criteria for the accounts accepting CDS requests:

Small Business Administration, Administrative Provision

Projects supporting small businesses, encompassing entrepreneur training, counseling, and research. Please be advised: SBA CDS funding is not intended for the provision of seed capital for small businesses, nor for sub-grants or loans, or the construction or acquisition of facilities.

National Archives and Records Administration, National Historical Publications and Records Commission (NHPRC)

Projects to help ensure online public discovery and use of historical records collections, encourage public engagement with historical records, strengthen the nation's archival network, or publish documentary editions of historical records. This includes initiatives like record digitization, programming, and online availability of records. In considering how to develop your project, please review the NHPRC "Eligibility" page on NARA's website.

National Archives and Records Administration, Repairs and Restoration

Projects that dedicate funding for one or more of the 15 presidential libraries established under the Presidential Libraries Act.

General Services Administration, Federal Buildings Fund, Construction and Acquisition

CDS projects are projects not in either the FY26 GSA budget request or the Judiciary's budget request. Projects that are in either the FY26 GSA budget request or the Judiciary's budget request or were partially funded in a prior enacted FSGG Appropriations Act are considered programmatic, not CDS. Construction projects are for new GSA-owned federal courthouses, federal office buildings, or land ports-of entry. ***Please note:*** *Eligible projects do not include state or county facilities, DOD facilities, VA facilities, or transportation infrastructure facilities.*

General Services Administration, Federal Buildings Fund, Repairs and Alterations

CDS projects are projects not in either the FY26 GSA budget request or the Judiciary's budget request. Projects that are in either the FY26 GSA budget request or the Judiciary's budget request or were partially funded in a prior enacted FSGG Appropriations Act are considered programmatic, not CDS. Repair projects must be core GSA-owned courthouses, office buildings, or land ports-of-entry in need of either basic or major repairs or alterations. ***Please note:*** *Eligible projects do not include state or county facilities, DOD facilities, VA facilities, or transportation infrastructure facilities.*

Office of National Drug Control Policy, Administrative Provision (Prevention Grants)

CDS projects should focus on evidence-based drug-related projects, such as primary prevention of substance use disorder. Preferred prevention programs would include community-based coalitions which, as part of their application, propose data driven, evidence-based prevention interventions; have established measurable objectives; and proposed implementing a comprehensive mix of strategies. Also, Drug-Free Communities (DFC)-funded coalitions recently trained by CDC to implement Adverse Childhood Experiences (ACEs) as part of their substance use prevention efforts are recommended. Among other things, allowable expenses include building rent and equipment. Unallowable expenses include (but are not limited to) real property purchases, and construction or renovation costs. ***Please note:*** *Programs should not be substance specific. Treatment programs are not eligible.*

Homeland Security (HS)

General Subcommittee Guidance:

- The Subcommittee reserves the right to make final funding recommendations for all agencies, programs, projects or activities, including recommendations for CDS requests within overall funding limitations set for the bill.

- As with prior years, CDS projects included in the final DHS appropriations bill are still subject to final review and approval through a Notice of Funding Opportunity (NOFO) and technical review process after enactment of the appropriations bill.

Eligible CDS Accounts:

Pre-Disaster Mitigation (PDM) Projects

Requested projects must meet the eligibility requirements of the PDM grant program, including the non-federal cost-share requirement, benefit-cost ratio, hazard mitigation plan, and environmental and historic preservation requirements. Full requirements can be found in the fiscal year 2024 NOFO for the "Pre-Disaster Mitigation Grant Program" .For your reference, the status of hazard mitigation plans can be found here. For any projects designated for funding in the final fiscal year 2026 Homeland Security Appropriations Act, the state agency responsible for administering mitigation grants in the requestor's state must submit an application to the Federal Emergency Management Agency, and that entity will serve as the administrative agent for the grant. Therefore, all project proposals must be accompanied by a letter of support from the appropriate state agency affirming that it believes the project is eligible. In addition to the PDM grant program requirements listed above, the Subcommittee will principally seek to satisfy member requests for eligible projects that are important to states and local communities but which may not receive adequate attention under the larger Building Resilient Infrastructure and Communities (BRIC) program. Projects awarded BRIC funding will not be eligible for PDM CDS funding.

For PDM projects, remember that the recipient must have a FEMA-approved hazard mitigation plan (HMP) at the time of the FEMA application (i.e., shortly after the final FY26 HLS bill is enacted) and the time of the award (i.e., likely in Q4 of FY26).

If a PDM recipient's HMP will expire during FY26 (10/1/2025 through 9/30/2026) and you want the project to be funded if possible, you must verify with the recipient that they are working with FEMA to have a valid HMP in place at both the time of the FEMA application and the time of the award. The Member Office must identify in writing in the "Project Detail" field that this verification has taken place, as the bill will not fund PDM projects that won't be awarded by FEMA due to a lack of an HMP.

If a PDM recipient does not have a current HMP and you want the project to be funded if possible, you must verify with the recipient that they are working with FEMA to have a valid HMP in place at both the time of the FEMA application and the time of the award. The Member Office must identify in writing in the "Project Detail" field that this verification has taken place, as the bill will not fund PDM projects that won't be awarded by FEMA due to a lack of an HMP.

The federal cost share generally cannot exceed 75 percent of the eligible work included in the Full Project Cost field. In rare instances for PDM projects only, the federal cost share can go up to 90 percent of eligible work if the recipient is a Small Impoverished Community (i.e., having 3,000 or fewer individuals, with residents having an average per capita annual income not exceeding 80 percent of the national per capita income). Please note cost shares are subject to Administration policy and could change.

For any PDM project with a federal cost share above 75 percent (up to 90 percent), you must identify in writing in the "Project Detail" field that the Member Office has verified that the recipient is an eligible Small Impoverished Community.

The Committee will not consider projects with a federal cost share above 75 percent unless the Member Office verifies it is a PDM project for a Small Impoverished Community, as projects won't be awarded by FEMA if the recipient cannot resource the full non-federal cost share, and therefore cannot be funded in the bill.

Emergency Operations Center (EOC) Grant Program

For fiscal year 2026, EOC CDS requests will be limited to requests included in the posted fiscal year 2025 Senate Report and to repairs of existing EOCs. Requests for new EOC construction not included in the posted fiscal year 2025 Senate Report will not be accepted. Requested projects must meet the eligibility requirements of the EOC grant program, including the non-federal cost-share requirement and environmental and historic preservation requirements. Full requirements can be found in the fiscal year 2024 NOFO for the "Emergency Operations Center Grant Program". For any projects designated for funding in the final fiscal year 2026 Homeland Security Appropriations Act, the state administrative agency (SAA) must submit an application to the Federal Emergency Management Agency, and that agency will serve as the administrative agent for the grant. Therefore, all project proposals must be accompanied by a letter of support from the appropriate SAA affirming that it believes the project is eligible.

Interior, Environment, and Related Agencies (IE)

The Subcommittee will accept CDS requests within the following programs. Information about each program and the project detail required for each project are explained in detail below.

1. CW: EPA, STAG, Clean Water SRF, Clean Water CDS
2. DW: EPA, STAG, Drinking Water SRF, Drinking Water CDS
3. SFC: IHS, Sanitation Facilities Construction, Sanitation Facilities Construction CDS
4. HPF: NPS, Historic Preservation Fund Projects
5. SPTF: USFS, State, Private, and Tribal Forestry, Forest Resource Information and Analysis

The Subcommittee may also consider CDS requests within the following accounts, but only on a case-by-case basis. The Subcommittee will consider the appropriateness of CDS spending for the project, history of the program and other federal spending, and availability of funding within the program, among other factors.

6. Projects on Agency Lists
    - LWCF: Great American Outdoors Act, Land and Water Conservation Fund ○ BLM, Land Acquisition ○ FWS, Land Acquisition ○ NPS, Land Acquisition ○ USFS, Land Acquisition ○ USFS, Forest Legacy
    - LMCON: Land Management Agencies, Construction ○ BLM, Construction
        - FWS, Construction Projects, Line Item Construction ○ NPS, Construction, Line Item Construction and Maintenance
        - USFS, Capital Improvement and Maintenance, Facilities, Road and Trails
7. Land Management Agencies, Local Projects and Research
    - BLM, Management of Land and Resources, Land Management Priorities
    - NPS, National Recreation and Preservation
    - NPS, Statutory and Contractual Aid
    - FWS, Resource Management, Stewardship Priorities
    - USGS, Surveys Investigations and Research, Special Initiatives
8. BIA, Operation of Indian Programs, Special Initiatives
9. EPA, Science and Technology, Research: National Priorities
10. EPA, State and Tribal Assistance Grants, STAG Infrastructure Grants

EPA, STAG, Clean Water SRF, Clean Water CDS (CW)

EPA, STAG, Drinking Water SRF, Drinking Water CDS (DW)

About the Program: The Subcommittee anticipates that the vast majority of CDS requests made to the Interior Subcommittee will be for water infrastructure grants to fund local wastewater and drinking water infrastructure projects within the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. This includes construction of, and modifications to, municipal sewage treatment plants and drinking water treatment plants. The Subcommittee will limit water infrastructure grants

only to projects that are publicly-owned or owned by a non-profit entity. Privately-owned projects are NOT eligible for water infrastructure grants.

The Subcommittee has previously considered projects benefiting both a clean water and drinking water system. Any such project must meet the qualifications below and must be requested under the Clean Water CDS account. CDS projects included in a final bill will go through the federal grant award process and CDS projects will be subject to applicable requirements including those related to federal grants, domestic preference, and the National Environmental Policy Act.

State and Local Projects

The Subcommittee will accept CDS requests for local and/or municipal projects included on a state's most recently finalized Clean Water or Drinking Water State Revolving Fund Intended Use Plan (IUP). The Subcommittee may consider projects that are eligible for funding under State Revolving Loan Fund (SRF) guidelines (detailed below), but are not on the state IUP list.

There is a minimum 20% cost share requirement for any state or local water infrastructure grant funded through congressionally directed spending. For example, a $1 million project could receive a maximum of $800,000 from the federal government, with the remaining $200,000 the responsibility of the CDS recipient. In almost all cases, other federal funds cannot be used to meet this 20% cost share. Please note that only the non-federal portion of assistance provided by a State Revolving Loan Fund can be applied towards a project's matching requirement.

For State and Local Grants for Drinking or Clean Water Projects, Member offices **must** confirm this status with the state before finalizing your submission:

- Is the project on the state's most recently finalized Clean Water or Drinking Water State Revolving Fund Intended Use Plan? **Required YES or NO**

- If the answer to the question above is NO, is the project eligible under SRF guidelines? **Required YES, NO, or N/A**

- Please provide verification that the project is either on the IUP list or would otherwise be eligible. This may include a letter from the state water office, a screenshot of the project's listing on an IUP, or other such documentation.

Applicants **must** answer each of the following questions in the order listed below:

1. What is the project purpose (e.g., drinking water, wastewater, stormwater, and/or water quality protection)?
2. How will the project help the recipient meet applicable water standards (e.g., improve drinking water quality or improve surface/groundwater quality)?
3. Is this project primarily to support existing water needs or to support future growth? Note that projects primarily to support future growth are typically ineligible for State Revolving Funds. Is this request seeking funding for planning and design, construction, or both?

4. Describe the project recipient—are they a municipality? Public water system? Other public entity?
5. What is the total estimated cost of the project, based on the facilities plan or preliminary engineering report?
6. What is the amount requested for the project?
7. Is the amount requested scalable to a lower amount and if so, what is the minimum amount?
8. Please list any funding received from federal appropriations, including the fiscal year and source of funding (e.g., Clean Water SRF, Drinking Water SRF, STAG grants, USDA Rural Development Program, FEMA, or others).
9. Does the community have a financing plan certified by an authorized local official demonstrating how it will cover the matching funds of 20% or more?
10. What are the anticipated non-federal sources of funding for this project?
11. What is the project's status (e.g., preliminary engineering, initial planning and design, final design completed, construction initiated)?
12. Has the community ever received state or federal funding for water infrastructure projects (not limited to the specific project)?

SRF projects have very specific eligibility requirements and the Subcommittee will not consider projects that do not meet those requirements. The following table lists some of the project types that are ineligible for SRF funding:

Projects that generally are NOT eligible for SRF funding			
Clean Water / Waste Water		**Drinking Water**	
1.	Land, except for projects described in the subsequent table under eligibility #11	1.	Dams or rehabilitation of dams
2.	Operations and maintenance costs	2.	Operations and maintenance costs
3.	Non-municipal point source control	3.	Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy or if the water rights purchase is covered by EPA's DWSRF Class Deviation for Water Rights 2019
4.	Acid drainage correction	4.	Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
5.	Ambient water quality monitoring	5.	Laboratory fees for monitoring
Projects that generally are NOT eligible for SRF funding			

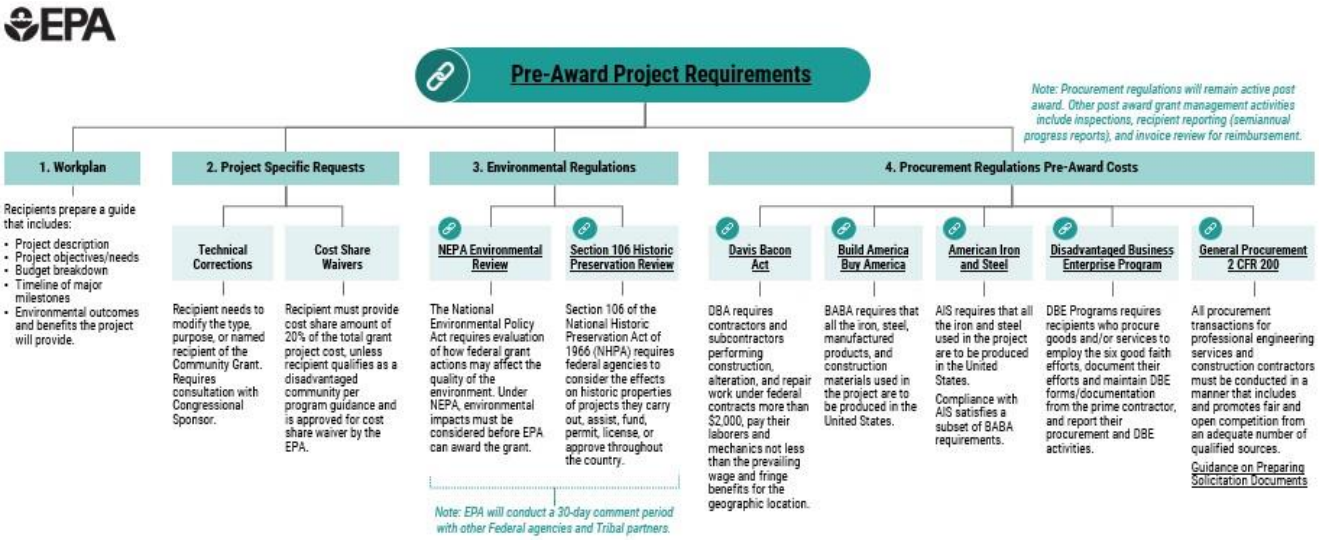
Clean Water / Waste Water		Drinking Water	
6.	Flood Control Projects, unless the project is otherwise managing, reducing, treating, or recapturing stormwater	6.	Projects needed mainly for fire protection
7.	Privately owned sewer pipes	7.	Projects for systems that lack adequate technical, managerial, and financial capability, unless assistance will ensure compliance
		8.	Projects for systems in significant noncompliance, unless funding will ensure compliance
		9.	Projects primarily intended to serve future growth

The following list provides some examples of the types of projects that are typically eligible for SRF funding and are most frequently funded. This list is not intended to be exhaustive.

Projects that generally ARE eligible for SRF funding			
Clean Water / Waste Water		**Drinking Water**	
1.	Wastewater treatment plants, including sludge handling facilities.	1.	Facilitate compliance with national primary drinking water regulations or address serious risks to public health including non-regulated contaminants (i.e. PFAS)
2.	Collector Sewers – Small sewers that convey wastewater from residences, commercial establishments, and industrial sites.	2.	Rehabilitate or develop water sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources
3.	Interceptor Sewers – Large sewers that convey wastewater from collector sewers directly to a wastewater treatment facility.	3.	Install or upgrade treatment facilities
4.	Sewer Pipes – Rehabilitation is only eligible if the pipes are publicly owned.	4.	Install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system
5.	Outfall Sewer – A sewer that conveys treated wastewater from a wastewater treatment facility to the receiving waters.	5.	Install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels
6.	Storm Water Management – Measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water (i.e. storm sewers, green infrastructure, etc.).	6.	Projects to consolidate water supplies – for example, when individual homes or other public water supplies have a water supply that is contaminated, or the system is unable to maintain compliance for financial or managerial reasons

7.	Combined sewer overflow (CSO) control and sanitary sewer overflow (SSO) control.	7.	Land is eligible only if it is integral to a project that is needed to meet or maintain compliance and further public health protection
8.	Infiltration/Inflow Correction – Construction activities that prevent surface water or groundwater from entering the sewer system.	8.	Project planning, design and other related costs
Projects that generally ARE eligible for SRF funding			
Clean Water / Waste Water		**Drinking Water**	
9.	Water Security – Installation or upgrade of physical security infrastructure such as lighting, fencing, monitoring and access control. Also, cybersecurity measures, installation of safer treatment technologies, and more secure storage of on-site treatment.		
10.	Septic Tanks – Remediation, rehabilitation, removal and replacement of failing tanks are eligible, as well as installation of new tanks.		
11.	Land – The leasing and fee-simple purchase of land, including surface and subsurface easements, needed to locate eligible municipal or Tribal projects, and land integral to the treatment process. Municipal purchase of land and/or conservation easements for source water protection are also eligible.		
12.	Water Reuse – Projects involving the municipal reuse or recycling of wastewater, stormwater, or subsurface drainage water.		
13.	Capital Nonpoint Source Pollution Control Projects – e.g., river or streambank restoration, agricultural best management practices (i.e., buffer strips, manure containment structures), wetlands restoration, etc.		

The graphic below illustrates the detailed process that must be followed before CDS funding for SRFs can be provided for an individual project:



IHS, Sanitation Facilities Construction, Sanitation Facilities Construction CDS (SFC)

For Tribal water CDS projects within the Sanitation Facilities Construction account, the Subcommittee will accept CDS requests for projects included on the Indian Health Services' (IHS) Sanitation Deficiency System (SDS) list. In exceptional circumstances, the Subcommittee may consider projects that are eligible for funding under the Criteria for the Sanitation Facilities Construction Program but are not on the SDS list (see pg. 5-1 through 5-12 of the Criteria).

"Additional Subcommittee Fields": For Tribal drinking or clean water facilities construction projects, Member offices **must** confirm this status before finalizing your submission:

- Is the project on the IHS Sanitation Deficiency System list? **Required YES or NO**
- If the answer to the question above is NO, is the project eligible under the Criteria for the Sanitation Facilities Construction Program? **Required YES, NO, or N/A**

As applicable, applicants **must** answer each of the following questions in the order listed below:

1. What is the project purpose (e.g., drinking water, wastewater, stormwater, and/or water quality protection)?
2. Is the amount requested scalable to a lower amount and if so, what is the minimum amount?
3. Is this request seeking funding for planning and design, construction, or both?
4. Is the preliminary planning and engineering design completed for this project?
5. When will this project be ready to proceed to construction?
6. What is the total estimated cost of the project, based on the facilities plan or preliminary engineering report?

7. Please list any funding received from federal appropriations, including the fiscal year and source of funding (e.g., Clean Water SRF, Drinking Water SRF, STAG grants, USDA Rural Development Program, FEMA, or others), if applicable?
8. If applicable, does the community have a financing plan?

National Park Service, Historic Preservation Fund Projects (HPF)

About the Program: The Historic Preservation Fund (HPF), established to help fund the programs created by the National Historic Preservation Act (Public Law 89-665; 54 USC 300301 et seq.), was designed to preserve historical and archaeological sites in the United States of America. The Subcommittee will accept CDS requests for projects within HPF that meet the eligibility requirements of existing HPF competitive programs.

- The Subcommittee notes that the vast majority of successful HPF projects in prior years have been funded within the Save America's Treasures (SAT) program.
    - For SAT, the Subcommittee will require that the property be listed as an historic place on the National Register of Historic Places or as a National Historic Landmark. Member offices must inquire with their State Historic Preservation Office to confirm listings and locate the National Register listing number(s).
        - For the purposes of SAT CDS, the listing may be at the national, state, or local level. In addition, a project is eligible if it has received a prior HPF award.
    - SAT projects require a **one-to-one match** with non-federal cash and/or in-kind contributions.
    - SAT grants are limited to preservation – new construction, reconstruction, and acquisitions of historic properties or historic collections are not eligible. The SAT website has more information about eligibility.
- Other HPF competitive programs have varied eligibility requirements which will be the basis of the Subcommittee's consideration. Competitive grant programs are limited to preservation – new construction, reconstruction, and acquisitions of historic properties or historic collections are not eligible. The HPF Competitive Grants website has more information about eligibility for each program.
- For Tribal Heritage Grants, there is no required match.
- The maximum CDS funding amount is $500,000 for any HPF project.
- Each successful CDS recipient funded in a final bill must complete and submit an application containing a detailed scope of work and budget proposal to the National Park Service for review and approval.
- All HPF grantees, including successful CDS recipients, must meet standards set by the Secretary of the Interior and comply with the audit requirements.

Applicants **must** answer each of the following questions in the order listed below:

1. For HPF, if the request is for a property, provide the National Register listing number(s) for the property (either as an individual property or as a contributing resource). **Please provide the listing number.**

2. What type of entity is the recipient (e.g., non-profit organization, state or local government, educational institution, federally-recognized Indian Tribe, Alaska Natives, or Native Hawaiian organizations)? **Please specify.**
3. Does the recipient have in place, or a plan to provide, the one-to-one match with non-federal cash and/or in-kind contribution? **Please answer YES or NO.**
4. Would the requested project fund an eligible activity under the HPF? For SAT, please visit here and note that new construction, reconstruction, and acquisitions of historic properties or collections are not eligible. **Please answer YES or NO.**
5. What are the specific activities that the project would fund (e.g., restoring flooring, installing ADA improvements)? Please provide a list.
6. Has your state's SHPO or other specialist with experience with the Secretary's standards reviewed the project for consistency with HPF eligibility?
7. Has the recipient been notified that each successful CDS recipient funded in a final bill must submit an application containing a detailed scope of work and budget proposal to the National Park Service for review and approval? **Please answer YES or NO.**

USFS, State, Private, and Tribal Forestry, Forest Resource Information and Analysis (SPTF)

About the Program: The State, Private, and Tribal Forestry account provides technical and financial assistance grants to non-federal forest landowners, including state, Tribal, and local governments. Activities within this account include forest health management, cooperative fire protection, wood innovation, and urban and community forestry. There is no matching requirement.

The following limitations apply to these CDS requests:

1. The purchase of equipment must comply with 2 CFR 200.313 and .316, including that the primary recipient is required to manage and track the equipment (they may hold title to the equipment but the Federal government retains an interest).
2. Funds cannot be used for general research, capital improvements, or projects on federal land.
3. Recipients cannot receive funding for the same project that has received funding through other Forest Service grants and agreements.

Applicants should describe how the project will contribute to meeting the goals of the State's Forest Action Plan, conserve and steward working forests or open space, protect forest health from insects and disease, meet urban and community forestry goals, create opportunities for innovative wood use, improve fire mitigation efforts, or otherwise benefit communities and forested lands.

Projects on Agency Lists

The Subcommittee will only consider CDS requests for projects that are not included in the President's budget request or for funding levels that are above the amounts provided in the President's budget request. The Subcommittee will have a strong preference for projects included on agency-submitted priority lists.

- LWCF: Great American Outdoors Act, Land and Water Conservation Fund: Pursuant to the Great American Outdoors Act of 2020 (P.L. 116-152) and the Consolidated Appropriations Act, 2024 (P.L. 118-42), prioritized project lists will accompany the President's budget request in five LWCF accounts. This requirement is delivered in two separate lists: 1) a list of projects proposed for funding in the President's budget request; and 2) a supplemental list of projects that are ready but unfunded. Any funding request for activities not included in the President's budget request must be submitted as a CDS request. Note that while third party organizations may advocate for specific projects, the CDS recipient for federal acquisition is the federal agency that will eventually manage the land (BLM, FWS, NPS, or USFS), or in the case of the Forest Legacy Program, it is the state.

- LMCON: Land Management Agency Construction: The four land management agencies (BLM, FWS, NPS, and USFS) receive annual appropriations for new construction and other capital improvement projects and typically include a short list of specific projects in the President's budget request. There will be a high bar for considering any projects not present on the current year's construction lists. Projects that would otherwise be part of the unit's core responsibilities within their annual funding are not eligible. Note that the CDS recipient is the federal agency.

Other

The Subcommittee may also consider CDS requests within these accounts, but only on a case-by-case basis.

In order to consider a request that falls into one of the "Other" categories outlined above, the Subcommittee requires detailed information about the project. Applicants must include a detailed description of the project and a case for its consideration. The description should include the following:

- Type of entity requesting the project (ex. federal agency, state agency, Tribal entity, local city/county agency, university or college, or non-profit organization, etc.).
- Whether the entity has the project on a ranked or otherwise prioritized federal or state list (provide list name and rank) or is otherwise eligible for a specific grant program.
- The land/facility ownership status relevant to the project (ex. Federal, state, tribal or municipal land/facility or other).
- The federal nexus for this project and reason federal funding is necessary.
- The total cost of the project, including any previously awarded federal funds (provide year, amount, and program), matching funds, or partner contributions.
- Timeline for the project, including estimated obligation timeline and start and completion dates for the project.
- Please also note if this project is being submitted to another Subcommittee. If so, include the name of the Subcommittee, program, amount and other relevant information.

Land Management Agencies, Local Projects and Research

In order for requests to be considered within this category, they must be relevant to the specified mission area within the bureaus listed below and contribute to responsible stewardship of land, wildlife, and

recreation resources or contribute to priority research areas that inform stewardship of those resources. Proposed projects should contribute to local, state, and federal efforts to benefit species, habitat, and/or enhanced stewardship of land and water resources. Project funding is not intended to primarily fund annual operations and maintenance of existing programs at the state, federal, or local level.

- BLM, Management of Land and Resources, Land Management Priorities – project requests may be considered for activities related to wildlife and aquatic habitat management. These projects must occur on or have a nexus to BLM lands.
- NPS, National Recreation and Preservation – project requests may be considered for grant programs funded within this account.
- NPS, Statutory and Contractual Aid – project requests may be considered for activities relating to operating, managing, and preserving resources in gateway communities or as otherwise authorized by law. Projects cannot be for units in the National Park System.
- FWS, Resource Management, Stewardship Priorities – project requests may be considered for fish and aquatic conservation, habitat conservation, recovery, and restoration activities. Projects cannot be for units in the National Wildlife Refuge System.
- USGS, Surveys Investigations and Research, Special Initiatives – project requests may be considered for high priority and core science research, and ecosystem and water resources related activities.

BIA, Operation of Indian Programs, Special Initiatives

BIA provides direct services and funding for compacts and contracts for Tribes to provide programs for a wide range of activities.

While the Subcommittee will not consider CDS projects for individual Tribes, the Subcommittee may consider requests from other eligible entities that honor the commitment to invest in Tribal communities, create economic opportunities, foster cultural heritage, promote efficient and effective Tribal governance, and conserve natural resources that are consistent with activities currently funded under the Operation of Indian Programs account. Construction projects are not eligible.

EPA, Science and Technology, Research: National Priorities

Project requests may be considered for high priority lines of research related to environmental quality and/or human health.

EPA, State and Tribal Assistance Grants, STAG Infrastructure – Other

Requests will only be considered for projects related to existing funding categories and activities within the STAG account that will result in improvements in environmental quality and/or human health.

Labor, Health and Human Services, Education, and Related Agencies (LHHS)

Congressionally Directed Spending (CDS) Requests

The Subcommittee accepts requests for CDS in the accounts noted below. In an effort to promote transparency and facilitate consideration of CDS requests, Senators must provide the necessary details on how requested funds would be used for each CDS project. LHHS CDS projects should not be viewed as continuous funding sources and should be distinct from competitive grant opportunities at the relevant agencies. CDS projects should be viewed as a way to jump start an activity, not sustain it over time. Successful CDS requests will match the project to the authorization or mission of an agency or account and have the support of local officials or communities.

More details on the types of eligible activities by account are described below. The most common problem with CDS requests in previous fiscal years was a failure to include sufficient information to determine if a project is eligible. Any request that does not include sufficient detail will be returned to the office to provide that information, resulting in delays that could affect the ability to fund the CDS request in FY26.

Eligible CDS Accounts

The Subcommittee will only accept CDS requests in the following accounts:

- Department of Labor—Employment and Training Administration—Training and Employment Services
- Department of Health and Human Services—Health Resources and Services Administration—Program Management
- Department of Health and Human Services—Substance Abuse and Mental Health Services Administration—Health Surveillance and Program Support
- Department of Health and Human Services—Administration for Children and Families—Children and Families Services Programs
- Department of Health and Human Services—Administration for Community Living—Aging and Disability Services Programs
- Department of Education—Innovation and Improvement—Fund for the Improvement of Education
- Department of Education—Higher Education—Fund for the Improvement of Postsecondary Education

Required CDS Project Information

All LHHS CDS requests must include the information, and follow the instructions, below. Any requests that do not will be returned to the office, resulting in delays that could affect the ability to fund the CDS requests in FY26.

- **Agency or Account** – Projects will only be funded from the accounts listed above.

- **Recipient Name** – Name of the legal entity that would receive the CDS funding. This is the legal entity that would serve as the fiscal agent responsible for executing the CDS funding with the federal agency. This will be listed on public disclosure tables
- **Project Name** – Unique name of the project to easily identify and distinguish the project.
- **Project Purpose** – Brief description of the project (no more than 1-2 sentences), including how funding will be used. More detailed information must be provided in the Project Detail field.
- **Project Detail** – A detailed summary of the project, which must include the total and major categories of spending for the CDS project accompanied by a short narrative for how each major category of spending supports the Project Purpose. While this must explain how specifically the funding will be spent (i.e. $X for supplies; $X for equipment; etc.), simply noting how much is for "equipment" is not sufficient – it must include a description of how the funding supports the project's purpose and goals (e.g. what the people will be doing, what the specific equipment requested is and what the equipment will be used for, etc.). The most common obstacle to determining if a project is eligible for funding is a lack of specific information on how the requested funding will be used.
- **Recipient Address, City, and State** – Address for the legal entity that will receive the CDS funding.
- **Recipient Point of Contact Name, Phone Number, and E-mail Address** – Information for at least one and preferably two contacts at the recipient organization. If a project is ultimately funded, these will be the individuals the agency reaches out to regarding the project. Under no circumstances should a registered federal or State lobbyist be listed as the point of contact. The points of contact must be individuals employed by or affiliated with the organization that would administer the federal funds.
- **Recipient Employer Identification Number** – Employer Identification Number for the recipient organization.

DOL Employment and Training Administration (ETA)

CDS requests under ETA (through the Workforce Innovation and Opportunity Act (WIOA) demonstration authority) should clearly articulate a project purpose and be focused on meeting the employment and training needs of workers. Generally these projects should include direct services which could include career services, training services (including work-based training), supportive services, and other permissible services, as they are defined in WIOA[1]. Typical activities include training unemployed individuals to increase their skills and obtain employment and enhancing the skills of incumbent workers to get higher-paying jobs.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific activities to achieve the project's goals.

CDS funding may be used for the purchase of equipment, but generally only if it is an incidental part of the larger project to provide direct services (a similar standard applies to curriculum development). If a larger portion of the CDS funding is expected to be used for equipment or curriculum development, please note that in the Project Detail and provide a detailed justification for why such investments are necessary to meet the employment and training needs of individuals.

[1] Generally these are defined in 20 CFR § 678.430, 20 CFR § 680.200, and 20 CFR § 680.900.

CDS funding within ETA cannot be used for construction or renovation of facilities or the purchase of land or buildings.

Finally, CDS projects will be expected to have measurable outcomes and demonstrate a linkage with the state or local workforce investment system.

HHS Health Resources and Services Administration (HRSA)

CDS requests within HRSA should be submitted through the Program Management account and must fall under one of the following categories:

- **Health Facilities Construction and Equipment**—CDS requests for the cost of limited-scope construction, renovation, or capital equipment purchase for facilities for health, mental health, or substance use disorder services, training of health professionals, or medical research. Examples of eligible facilities include hospitals, health centers, and clinics; skilled nursing facilities; mental health centers; facilities for schools of medicine, nursing, or other health professions; and medical research laboratories. In addition to construction and renovation, CDS funding can be used to acquire capital equipment, such as lab equipment, x-ray machines, or telehealth and information technology. The Committee will not consider a CDS request for federal funding within this account that exceeds $15 million. Equipment-only CDS requests—that is, requests not involving construction—are permissible. Generally, any equipment having a useful life of more than one year and a unit cost of at least $5,000 will be eligible as capital equipment. In addition, equipment with lower costs may also be eligible, provided that it is treated as an item of capital expense under the recipient institution's pre-existing, written accounting policies. Equipment expenses for health information systems and electronic medical records systems are permitted expenditures. The costs of expendable supplies such as pharmaceuticals, lab chemicals, or office paper are not eligible.

  HRSA Health Facilities funding cannot be used to acquire land or purchase existing buildings, or to pay salaries or other operating costs. Funding cannot be used to pay for work previously completed. CDS requests can be used for architectural and engineering costs associated with an eligible construction project, but cannot be used for general feasibility studies or planning and design. For more information on construction and equipment requests, see: https://www.hrsa.gov/grants/manage-your-grant/training/community-project-fundinghttps://www.hrsa.gov/grants/manage-your-grant/training/community-project-funding-congressionally-directedcongressionally-directed.

- **Rural Health**—CDS requests for projects to improve health care in rural areas. Examples of eligible activities include medical, dental, or mental health care services; health promotion and education; chronic disease management; telehealth services; and improvements to emergency medical services. CDS funds can be used for services only in areas that meet HRSA's definition of rural. For lists of eligible rural areas and further information regarding that definition, see: https://www.hrsa.gov/rural-health/about-us/definition/index.html. Please include the address of

the project's activities in the Project Detail, if different than the legal entity recipient address, for purposes of determining project eligibility.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals.

HRSA CDS recipients may not sub-grant to other organizations or agencies.

A General Provision prohibits the award of funding for projects to expend funds for any abortion.

HHS Substance Abuse and Mental Health Services Administration (SAMHSA)

CDS requests within SAMHSA should be submitted through the Health Surveillance and Program Support account and must fall under one of the following categories:

- **Mental Health**—funding to support programs that promote the prevention or treatment of mental health disorders, including rehabilitation, outreach, and other support services.

- **Substance Abuse Treatment**—funding to support programs that improve access, reduce barriers, and promote high quality, effective treatment and recovery services.

- **Substance Abuse Prevention**—funding to support programs to prevent the onset of illegal drug use, prescription drug misuse, alcohol misuse, and underage alcohol and tobacco use.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals.

General Provisions prohibit the award of funding for projects which distribute sterile needles or syringes for I.V. drug injection; projects which promote the legalization of illegal drugs or substances; and projects to expend funds for any abortion.

CDS funding within SAMSHA cannot be used for construction (other than a limited amount of renovation necessary to carry out a funded project), and SAMHSA CDS recipients may not sub-grant to other organizations or agencies.

HHS Administration for Children and Families (ACF)

CDS requests within ACF should be submitted through the Children and Families Services Programs account and must fall under one of the following categories:

- **Child Abuse Prevention**—projects to improve the prevention, assessment, identification, and treatment of child abuse and neglect through research, model service improvement, information

dissemination, and technical assistance. Projects must serve or target abused and/or neglected children and their families.

- **Social Services Research and Demonstration**—projects to promote the ability of families to thrive through financial self-sufficiency in order to reduce poverty and to promote the healthy development and greater well-being of children and families. Projects can serve a diverse population including: low-income individuals, children, youth, families, individuals with developmental disabilities, and Native Americans.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals.

CDS funding within ACF cannot be used for construction or renovation of facilities, and ACF CDS recipients may not sub-grant to other organizations or agencies.

HHS Administration for Community Living (ACL)

CDS requests within ACL should be submitted through the Aging and Disability Services Programs account and must fall under the following category:

- **Aging and Disability Services Programs**—projects to improve the ability of older adults and individuals of all ages with disabilities to live independently and participate fully in their communities. Generally, CDS requests should focus on improving access to, or the quality of, education, training, support services, and independent living services for older adults and individuals with disabilities.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals.

CDS funding within ACL cannot be used for construction or renovation of facilities, cannot be used for the provision of medical care, and ACL CDS recipients may not sub-grant to other organizations or agencies.

Department of Education, Innovation and Improvement

Fund for the Improvement of Education (FIE)—Elementary and secondary education CDS requests can be designated under this heading for a wide variety of elementary and secondary education projects, including instructional services, afterschool centers, curricula development, teacher training, acquisition of books and computers, arts education, social and emotional learning activities, full-service community schools, and early childhood education. In general, the focus of elementary and secondary education CDS requests should be providing early childhood or K-12 educational services.

CDS requests to provide and improve special education services at the elementary and secondary levels are also eligible under this heading. These CDS requests may include early intervention services for infants and toddlers, transition services, and postsecondary education services.

Eligible CDS recipients are state education agencies, school districts, colleges and universities, and other public and private nonprofit entities. Generally, CDS requests intended for individual schools are provided to the applicable school district and not directly to the individual school.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals. If a significant portion of CDS funds are expected to be used for the purchase of equipment, make sure to note that in the Project Detail and include a justification for that use of funds.

CDS funding within FIE cannot be used for construction or renovation of school buildings, except in the case of minor remodeling or minor alterations in a previously completed building, for example as part of technology upgrades. Daycare and childcare projects that do not include educational services are also not eligible under this account.

Department of Education, Higher Education

Fund for the Improvement of Postsecondary Education (FIPSE)—CDS requests through FIPSE should primarily be focused on improving access to, or the quality of, postsecondary education. This can include a range of activities as authorized and specified in section 741(a) of the Higher Education Act (20 U.S.C. 1138(a)). CDS recipients are usually colleges and universities but may include other public and private nonprofit organizations.

Examples of the types of CDS requests that can be funded under FIPSE include projects to hire and train faculty, establish and improve degree programs, improve teacher preparation programs, develop and improve curricula, upgrade technology, equipment, and telecommunications, provide student support, and implement university partnerships with school districts. If a significant portion of CDS funds are expected to be used for the purchase of equipment, make sure to note that in the Project Detail and include a justification for that use of funds.

CDS requests must include a basic budget that clearly describes how the funds will be used for specific purposes to achieve the project's goals.

CDS funding within FIPSE cannot be used for endowments, or for the construction or renovation of facilities, except in the case of minor remodeling or minor alterations in a previously completed building, for example as part of technology upgrades.

Military Construction, Veterans Affairs, and Related Agencies (MILCON-VA)

Guidance on Submitting CDS Requests

The following accounts are eligible for CDS requests:

Military Construction, Army
Military Construction, Navy and Marine Corps
Military Construction, Air Force (including Space Force)
Military Construction, Defense-Wide
Military Construction, Army National Guard
Military Construction, Air National Guard
Military Construction, Army Reserve
Military Construction, Navy Reserve
Military Construction, Air Force Reserve

Requests may include major construction, unspecified minor military construction, and planning and design, however, only certain major military construction projects within these accounts are eligible for CDS. Eligible projects can be found on three types of lists, outlined below, which are provided to Congress by the Department of Defense, and contain requirements that have been validated and vetted by the appropriate Service or Agency.

Eligible Lists:

Questions on each of these lists or whether a specific project is included should be directed to the Senate Liaison Offices of each military department.

- Future Years Defense Program (FYDP).—Each military department, to include the Guard and Reserve, as well as Defense-Wide agencies, plans its major military construction program five years into the future. FYDPs identify these future planned projects, which are candidates for CDS requests. Inquiries related to the FYDP or whether a specific project is included should be directed to the Senate Liaison Offices of each military department.

- Unfunded Requirements/Priorities Lists (UFR/UPL).—In addition to the annual budget request, and as required by law, each military department submits to the congressional defense committees a document identifying unfunded priorities that could be funded if additional appropriations were provided. Questions about the UFR/UPL lists or whether a specific project is included should be directed to the Senate Liaison Offices of each military department.

- Cost-to-Complete (CTC).—Variables such as construction market conditions can affect cost estimating throughout the military construction programming process, and as such, DOD can experience cost increases that cannot be sufficiently covered by available appropriated funding. In these cases, the military departments may submit a list of projects -- separate from the budget request -- that have received an authorization and appropriation but require additional funding to be completed. Once the full budget request is released, questions about these lists and whether

specific projects are included should be directed to the Senate Liaison Offices of each military department.

It is the practice of the Subcommittee to only provide funding that can be executed in the year of appropriation. Therefore, CDS eligibility is further limited by the executability of funding, and the amount may be modified based on information provided by the appropriate Service or Agency. Eligible major military construction projects must be:

- Authorized in the Fiscal Year 2026 or prior year National Defense Authorization Act;
- At 35% design or higher with a DD 1391*; and
- Prepared to award a contract in Fiscal Year 2026.

* The DD 1391 form is required by the Department of Defense for any military construction project. It contains scope and cost estimates, an assessment of the current requirements, justification for the project, and anticipated contracting and construction timelines.

If the request is for major construction, you must complete the following requirements for each project:

- Identify which list (FYDP, UFR/UPL, or CTC) includes the project requested;
- Confirm that the project is at 35% design, has a DD 1391 planning document, attach the DD 1391; and
- Confirm that the requested project has either been previously authorized or a request to authorize has been or will be submitted to the Senate Armed Services Committee.

Transportation, Housing and Urban Development, and Related Agencies (THUD)

Projects excluded from CDS. THUD will not fund CDS requests for operational expenses or administrative salaries and benefits.

Cost-Share requirements for CDS. All DOT CDS projects will have a non-Federal cost-share requirement, consistent with the authorized program under which the projects are funded. The cost-share may vary by State and by type of project.

Disbursement of funds. All THUD CDS funds are provided to grantees on a reimbursement basis – no recipients will receive an upfront disbursement from DOT or HUD. CDS recipients will be required to request drawdowns from their grant as eligible expenses are incurred. DS projects must have a reasonable expectation of being obligated by the end of FY2028.

CDS requests must include ALL of the following information:

Project Name. This is what will appear in the CDS table in the Committee report and once the appropriations bill is enacted, the use of funds will be legally tied to it and cannot be changed. The project name should be unique enough to easily identify and distinguish the project.

Project Purpose. This should be one sentence broadly describing the use of funds.

Project Website. This should be a link to the relevant planning document for the project: the airport master plan for AIP; the Statewide Transportation Improvement Program (STIP) or Transportation Improvement Program (TIP) for HIP and TIG; the State Rail Plan for CRISI; or the project website or relevant planning documents for TPR&D, PIDP, and EDI.

Project Detail. This should be a longer explanation of why this project is important, a breakdown of costs, identification of the source of cost-share if appropriate, the status of planning/environmental work, and other relevant information to help the Subcommittee evaluate project eligibility.

Member's Request. This is the amount of funding requested for the CDS, in thousands of dollars ($000). For example, a request for $1 million would be entered as $1,000.

Total Cost. This should be the total cost of the broader project, in thousands of dollars ($000). For example, a total cost of $5 million would be entered as $5,000.

Location of the Activity. This should be the city or county where the project will take place.

Project Recipient Information. This should be the legal name of the entity that will receive the CDS funding listed exactly as it appears on the recipient's IRS tax documents. Once the appropriations bill is enacted, the recipient is legally tied to it and it cannot be changed. A point of contact within the entity must be identified by name, phone number, address, and e-mail address, which will be provided to

DOT/HUD for purposes of administering projects and will not be made public. This point of contact cannot be a lobbyist or other external entity. In addition, the entity's Federal Tax Employer Identification Number (EIN) must be provided (for both non-profits and State/local governments). It is not acceptable to enter 00-0000000 or other placeholder numbers. Failure to provide the Federal EIN may result in the Subcommittee rejecting the request. For EDI, the primary point of contact provided must be the organization's Authorized Representative (the person that has the authority to sign the Grant Agreement).

CDS Eligible Accounts. THUD will accept requests for CDS from the following accounts for FY2026:

Transportation Planning, Research, and Development TPR&D

- Members can request CDS within the TPR&D account for transportation research projects eligible under title 23 or title 49 of the United States Code. Planning for specific local highway, transit, rail, or port projects that are eligible under HIP, TIG, CRISI, or PIDP should *not* be included in this account. Members are encouraged to use this account for national or regional research and development projects.
- The **Project Website** for TPR&D projects should provide additional background behind the project.

Grants-in-Aid for Airports (Airport Improvement Program or AIP)

- Members can request CDS within the AIP account for airport projects eligible under chapter 471 of title 49, United States Code (https://www.faa.gov/airports/aip/overview).
- As AIP CDS follows the existing AIP statute, the Federal cost-share requirements still apply to CDS. For large and medium primary hub airports, CDS can cover 75% of eligible costs (or 80% for noise program implementation). For small primary, reliever, and general aviation airports, CDS can cover a range of 90-95% of eligible costs, based on statutory requirements.
- Applicants are required to provide a link to the airport master plan that includes the requested project.
- Applicants are required to provide the status of the planning and environmental work so the Subcommittee can assess the readiness of the project. Members should also provide a description of all other sources of funding contributing to the total cost of the project.

Highway Infrastructure Programs (HIP)

- Members can request CDS within the HIP account for highway projects eligible under title 23, United States Code, including, but not limited to, highway and bridge construction projects, planning, environmental review, design, and right-of-way acquisition. Operational expenses are not eligible.
- Members can request funding for highway projects that are not currently on the STIP or TIP but for which a State DOT has provided a letter confirming that: (1) the project is eligible for Federal-aid highway funding under title 23, United States Code; (2) the State DOT is willing to carry out the project if funding is enacted; and (3) the State DOT will include the project on the STIP or TIP once funding for the project is enacted.
- In the **Project Detail** field, Members are required to include the status of the planning and environmental work so the Subcommittee can assess the readiness of the project. Members

should also provide a description of all other sources of funding contributing to the total cost of the project.

- For **Project Recipient Information**, please only enter information for the State DOT. All highway CDS funds will be provided directly to State Departments of Transportation. If the local or county level government is requesting the CDS, they will be required to coordinate with the State DOT to receive the funding and ensure a non-Federal match is available. The only exception to this is if the project is intended to be for a Tribal government, in which case you should provide the name and POC information for the relevant Tribal government.

Transit Infrastructure Grants (TIG)

- Members can request CDS within the TIG account for transit projects eligible under chapter 53 of title 49, United States Code.
- Members can request funding for transit projects that are not currently on the STIP or TIP but for which a transit agency has provided a letter confirming that: (1) the project is eligible for transit funding under chapter 53 of title 49, United States Code; (2) the transit agency is willing to carry out the project if funding is enacted; and (3) the transit agency will include the project on the STIP or TIP once funding for the project is enacted.
- In the **Project Detail** field, Members are required to provide the status of the planning and environmental work so the Subcommittee can assess the readiness of the project. Members should also provide a description of all other sources of funding contributing to the total cost of the project.

Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grants

- Members can request CDS within the CRISI account for rail capital projects eligible under section 22907 of title 49, United States Code.
- Applicants are required to provide a link to the State Rail Plan that includes the requested project.
- Members can request funding for rail projects that are not currently on the State Rail Plan but for which a State rail agency or State DOT has provided a letter confirming that: (1) the project is eligible for rail funding under section 22907 of title 49, United States Code; (2) the State rail agency, State DOT, or other relevant State agency is willing to carry out the project if funding is enacted; and (3) the State rail agency or State DOT will include the project on the State Rail Plan once funding for the project is enacted. T
- In the **Project Detail** field, Members are required to provide the status of the planning and environmental work so the Subcommittee can assess the readiness of the project. Members should also provide a description of all other sources of funding contributing to the total cost of the project.

Port Infrastructure Development Program (PIDP) Grants

- Members can request CDS within the PIDP account for port projects eligible under section 54301 of title 46, United States Code.
- In the **Project Detail** field, Members are required to provide the status of the planning and environmental work so the Subcommittee can assess the readiness of the project. Members should also provide a description of all other sources of funding contributing to the total cost of the project.

- Also in the **Project Detail** field, Members are required to denote whether:
  - The project is eligible under 46 USC 54301, specifically which eligible use;
  - The recipient is eligible under 46 USC 54301, specifically (A) through (F);
  - The project is at a small port as described under 46 USC 54301(b); and
  - The project is in a rural area as described under 46 USC 54301(a)(12).
- **Automation.** The current NDAA includes a provision that prohibits DOT from funding "a grant to purchase fully automated cargo handling equipment that is remotely operated or remotely monitored with or without the exercise of human intervention or control, if the Secretary of Transportation determines such equipment would result in a net loss of jobs within a port or port terminal." The FY24 THUD bill includes a cross reference to this provision for appropriated funding, which will apply to all PIDP CDS projects. Therefore, to ensure grantees can receive their PIDP CDS funding, Members that propose projects that include the purchase or installation of cargo handling equipment, or the installation of terminal infrastructure that is designed for cargo handling equipment, **must** indicate in the "Project Detail" field whether or not the equipment is fully automated or whether the terminal infrastructure is designed for fully automated equipment. For CDS purposes, the Subcommittee considers fully automated cargo handling equipment to be remotely operated or monitored, with or without the exercise of human intervention or control. **If fully automated equipment is proposed to be acquired or terminal infrastructure for such equipment is proposed to be created, the Member must provide in the "Project Detail" field information describing any job changes that will result from the project, including supporting evidence demonstrating and certifying that the project will NOT directly result in a net loss of jobs or degradation of job quality. Failure to provide detailed information relating to automation and jobs may result in the Subcommittee rejecting the request.**

Community Development Fund, Economic Development Initiatives (EDI)

EDI projects are funded within the "Community Development Fund" account for activities eligible under section 5305 of chapter 69 of title 42, United States Code, as well as for affordable housing construction. The Subcommittee strongly encourages Member offices to pursue projects that address affordable housing, community services, and economic development, and are comparable to activities in the CDBG program. Eligible EDI activities include, but are not limited to:

- Acquisition of real property;
- Construction, rehabilitation, and improvements to affordable housing;
- Blight removal or remediation;
- Public housing modernization and,
- Construction, rehabilitation, and improvements of public facilities, such as neighborhood centers, parks, and shelter for persons having special needs such as survivors of domestic violence and the homeless, *except for* buildings for the general conduct of government.

Federal requirements: EDIs are subject to all general Federal requirements, including the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2 CFR Part 200, Build America Buy America (BABA) Preferences, the National Environmental Policy Act (NEPA), HUD's NEPA-implementing regulations under 24 CFR Part 50 or 24 CFR Part 58, and all appropriate Federal environmental and historic preservation laws, regulations, and Executive Orders.

The environmental review must be completed by a "Responsible Entity" (RE), which is a state, unit of general local government, Indian tribe or Alaska Native Village. Nonprofits will need the RE for where the project is located to conduct the environmental review on their behalf. Member offices should confirm with organizations requesting EDIs that they will be able to comply with all Federal requirements. To review HUD's current implementation of the EDI program and the applicable Federal requirements, please see HUD's EDI landing page:
https://www.hud.gov/program_offices/comm_planning/edi-grants

Other restrictions: Any expenses incurred prior to the enactment of a final FY2026 appropriations bill cannot be reimbursed with EDI funds. THUD CDS cannot be used for operational expenses or administrative salaries and benefits. Examples of these ineligible expenses are costs that cover an organization's day-to-day operations, such as utilities, rent, office supplies and equipment, insurance, and an organization's staff salaries and benefits.

Applicants should provide a link to the project website, if available, or if the project is included in an existing CDBG grantee's Consolidated Plan or Annual Action Plan, a link to such plan. If neither is available, provide the organization's website.

Applicants are required to provide at a minimum:

1. Brief description of the project;
2. Breakdown of how EDI funds will be used;
3. Status of the project (planning, design, construction, etc.) and expected timeline;
4. List of all other sources of funding contributing to the total cost of the project; and
5. The status of the environmental review work and if the grantee is a nonprofit, if a "Responsible Entity" has been identified to conduct the Federal environmental review should one be necessary for the project.

Applicants should identify which of the three National Objectives of the broader CDBG program the EDI project and its activities meets and include relevant data and a description indicating **how** it meets such National Objective(s). The three CDBG program National Objectives are:

1. benefit low- and moderate-income persons or communities;
2. prevent or eliminate slums or blight; or
3. address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

The most common CDBG National Objective that EDI projects will meet is the benefit to low- and moderate-income (LMI) persons, which can be demonstrated through a benefit to a specific service area, serving a limited clientele, housing for certain income households, and the creation or retention of jobs for individuals at certain income levels.

- If using the LMI National Objective, please review this HUD resource:
  https://www.hudexchange.info/programs/cdbg/cdbg-low-moderate-income-data/
- If the project is meeting the LMI National Objective through the service area, use the "Map Application" tool to provide the necessary data points on the LMI population in that service area:
  https://hud.maps.arcgis.com/home/item.html?id=279eca0222754f8a954bbf8cf995a1a3