

**FY26 Congressionally Directed Spending Requests
Senator Kelly & Senator Gallego**

Health Care Facilities and Programs

Overview:

The Senate Appropriations Committee is accepting requests for Congressionally Directed Spending projects for several accounts which can be used to fund projects to construct or repair health care facilities, purchase medical equipment, or administer certain health care programs. Arizona stakeholders are invited to submit requests for projects which are eligible for the following federal program accounts.

Please note that the information below reflects the latest guidance our office has received from the Senate Appropriations Committee and insights gained from prior CDS projects, but is intended for guidance purposes only. However, requestors are strongly encouraged to review this document to ensure this project is a good fit for Congressionally Directed Spending.

HRSA – Health Facilities Construction and Equipment:

Any project to construct, renovate, or purchase capital equipment for health care facilities is eligible for Congressionally Directed Spending.

- **What can be funded?** CDS funding may be used to fund 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.

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.

Requestors are advised that Senator Kelly's office is most likely to consider CDS requests for this account which do not exceed \$5 million.

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

- **Appropriations Subcommittee:** Labor, HHS, Education, and Related Agencies

- **Administering Agency:** Health Resources and Services Administration (HRSA)

- **Cost share:** Congressionally Directed Spending requests for HRSA can be used to cover 100% of a project's cost.

- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through HRSA:
 - **Project Readiness:** All eligible projects must provide details on the status of the planning and environmental work.
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.

- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by HRSA. Based on previous experience, it will take HRSA about 4 weeks to contact recipients after enactment and about 3 months to distribute funding.

More information on the process HRSA uses to distribute CDS funding is [HERE](#). On the website, you can find [recorded webinars](#) explaining the application process, a [frequently asked questions page](#) for CDS recipients, copies of all of the documents you will be required to submit to the agency, and other general guidance about managing federal funding awards. ***Please note that the webpage currently includes information about last year's CDS awards and it is possible that some information may change for the process this year.***

HRSA – Rural Health Programs:

Any project to improve health care in rural areas is eligible for Congressionally Directed Spending.

- **What can be funded?** CDS funding may be used 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.
- **Restrictions:**
 - HRSA CDS recipients may not sub-grant to other organizations or agencies.
 - 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>.
- **Appropriations Subcommittee:** Labor, HHS, Education, and Related Agencies
- **Administering Agency:** Health Resources and Services Administration (HRSA)
- **Cost share:** Congressionally Directed Spending requests for HRSA can be used to cover 100% of a project's cost.
- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through HRSA:
 - **Project Performance Location:** Requestors must provide an address for the project performance location, for the purpose of confirming the project is eligible for rural funding.
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.
- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by HRSA. Based on previous experience, it will take HRSA about 4 weeks to contact recipients after enactment and about 3 months to distribute funding.

More information on the process HRSA uses to distribute CDS funding is [HERE](#). On the website, you can find [recorded webinars](#) explaining the application process, a [frequently asked questions page](#) for CDS recipients, copies of all of the documents you will be required to submit to the agency, and other general guidance about managing federal funding awards. ***Please note that the webpage currently includes information about last year's CDS awards and it is possible that some information may change for the process this year.***

HHS – Substance Abuse and Mental Health Services Administration:

Any project which promotes the prevention or treatment of mental health disorders, provides substance use disorder treatment, or facilitates substance use disorder prevention is eligible for Congressionally Directed Spending.

- **What can be funded?** CDS funding within SAMHSA is provided 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 Use Disorder Treatment—funding to support programs that improve access, reduce barriers, and promote high quality, effective treatment and recovery services.
 - Substance Use Disorder Prevention—funding to support programs to prevent the onset of illegal drug use, prescription drug misuse and abuse, alcohol misuse and abuse, and underage alcohol and tobacco use.

- **Restrictions:**
 - Needle Exchange: A General Provision prohibits the award of funding for projects which distribute sterile needles or syringes for I.V. drug injection.
 - Use of Illegal Substances: A General Provision prohibits the award of funding for projects which promote the legalization of illegal drugs or substances.
 - CDS funding within SAMSHA cannot be used for construction (other than a limited amount of renovation necessary to carry out a funded project),
 - SAMHSA CDS recipients may not sub-grant to other organizations or agencies.

- **Appropriations Subcommittee:** Labor, HHS, Education, and Related Agencies

- **Administering Agency:** Substance Abuse and Mental Health Services Administration

- **Cost share:** Congressionally Directed Spending requests for SAMHSA can be used to cover 100% of a project's cost.

- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through SAMHSA:
 - **Project Category:** The requestor must specify which of the three eligible categories (mental health, substance use disorder treatment, substance use disorder prevention) for which the project is eligible.
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.

- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by SAMHSA. SAMHSA will work directly with recipients to distribute funding, and it typically takes 4 weeks for SAMHSA to contact recipients post-enactment, and approximately three months to distribute funding.

HHS – Administration for Children and Families:

Projects which prevent, identify, or respond to child abuse and neglect are generally eligible for Congressionally Directed Spending.

What can be funded? CDS funding within ACF is provided 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.

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

- **Appropriations Subcommittee:** Labor, HHS, Education, and Related Agencies

- **Administering Agency:** Administration for Children and Families
- **Cost share:** Congressionally Directed Spending requests for ACF can be used to cover 100% of a project's cost.
- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through ACF:
 - **Project Category:** The requestor must specify which of the two eligible categories (child abuse prevention or social services research and demonstration) for which the project is eligible.
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.
- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by ACF. ACF will work directly with recipients to distribute funding, and it typically takes 4 weeks for ACF to contact recipients post-enactment, and approximately three months to distribute funding.

HHS – Administration for Community Living:

Projects which support older adults and individuals of all ages with disabilities are eligible for Congressionally Directed Spending.

- **What can be funded?** CDS funding within ACL is provided through the Aging and Disability Services Programs account and must 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.
- **Restrictions:**
 - CDS funding within ACL cannot be used for construction or renovation of facilities
 - ACL CDS recipients may not sub-grant to other organizations or agencies
- **Appropriations Subcommittee:** Labor, HHS, Education, and Related Agencies

- **Administering Agency:** Administration for Community Living
- **Cost share:** Congressionally Directed Spending requests for ACL can be used to cover 100% of a project's cost.
- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through ACL:
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.
- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by ACL. ACL will work directly with recipients to distribute funding, and it typically takes 4 weeks for ACL to contact recipients post-enactment, and approximately three months to distribute funding.

Office of National Drug Control Policy:

Projects and programs which utilize community-based coalitions to carry out substance use prevention programs are eligible for Congressionally Directed Spending.

- **What can be funded?** CDS funding can be provided through ONDCP Prevention Grants. The Senate Appropriations Committee notes that 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, DFC-funded coalitions recently trained by CDC to implement Adverse Childhood Experiences (ACEs) as part of their substance use prevention efforts are recommended.
- **Appropriations Subcommittee:** Financial Services and General Government
- **Administering Agency:** Office of National Drug Control Policy
- **Cost share:** The cost-share for CDS within this account match the cost-share requirements of [ONDCP prevention grants](#). Typically, these programs require a 1:1 match – meaning not more than 50% of a total project cost can receive federal funding.

- **Requirements:** The Senate Appropriations Committee requires that the following information be provided for all CDS requests to be funded through ONDCP:
 - **Sources of funding:** All eligible projects must provide a detailed description of all other sources of funding contributing to the total cost of the project.
 - **Time Limited:** CDS funding is not intended to be a continuous source of funding, and therefore recipients must demonstrate how receipt of CDS funding will enhance or jump-start an activity, but not sustain it over time.
 - **Local support:** Successful CDS requests should have the support of local officials or communities.

- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed to recipients by ONDCP. Recipients will need to sign a grant agreement with ONDCP, which typically takes 3-4 months to execute, after enactment.