

**FY27 Congressionally Directed Spending Requests  
Senator Kelly & Senator Gallego**

## **Fire Department and EMS Projects**

**Overview:**

The Senate Appropriations Committee is accepting requests for Congressionally Directed Spending projects for certain types of fire department projects. Stakeholders should note that while fire station upgrades and new fire vehicles are eligible for funding, these projects are very competitive and typically come with a cost-share requirement. By contrast, health care and EMS related projects tend to be less competitive and do not come with a cost-share.

***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 purchase capital equipment, including vehicles, like ambulances or other medical response vehicles, Automated External Defibrillators (AEDs), or similar health care equipment that are used by Fire Departments, as well as construction projects that are primarily focused on health care facilities (including ambulance parking, or clinics) are eligible for Congressionally Directed Spending funding through HRSA.

- **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.

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 and Senator Gallego's offices are 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 can't 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 FY27 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 the documents you will be required to submit to the agency, and other general

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guidance about managing federal funding awards. ***Please note that the webpage currently includes information about previous year's CDS awards and it is possible that some information may change for the process this year.***

### **USDA Rural Development – Community Facilities Program:**

Projects that are eligible for USDA Rural Development's Community Facilities Program, such as fire station construction or modernization projects, projects to purchase new fire response vehicles, or other public-safety related capital expenditure projects may be funded through Congressionally Directed Spending, although projects must comply with all RD eligibility and cost-share requirements.

- **What can be funded?** Any project that is eligible for USDA RD's Community Facilities (CF) grant program is eligible for Congressionally Directed Spending. More information about the eligible program activities can be found [HERE](#). In general, projects in communities (which can include fire district service areas) with a population of less than 20,000 people are eligible for CF funding. Some examples of projects could include public safety services such as fire departments, police stations, prisons, police vehicles, fire trucks, public works vehicles or equipment.
- **Restrictions:**
  - Towns with populations over 20,000 are not eligible for this program.
  - This program is subject to the Build America Buy America Act requirements, which will apply to the total project cost, not just the federal cost-share portion.
  - Applicants must meet environmental review requirements (i.e., NEPA).
  - Funding within this program may not be used:
    - To reimburse funds for projects already constructed/acquired or projects that will be completed by the passage of the FY27 appropriations bill.
    - To pay initial operating expenses or annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses.
    - To fund facilities to be used primarily for recreation purposes.
    - To fund facilities to be used primarily for business entrepreneur purposes.
- **Appropriations Subcommittee:** Agriculture, Rural Development, FDA, and Related Agencies
- **Administering Agency:** U.S. Department of Agriculture – Rural Development

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- **Cost-Share:** The Community Facilities (CF) Grant program has a match requirement on a sliding scale based on community population size. CF Grants can cover up to 75 percent of the total project costs. **In order to determine whether a project is eligible, your office or the applicant is required to reach out to the Arizona State Rural Development Office. [Contact information is here.](#)**

This program will fund **up to** 75 percent 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

- **Requirements:**
  - **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 – and specific attention must be paid to ensuring the requestor can meet the cost-share requirements based on the community/service area’s size.
  - **Discuss with Arizona Rural Development Office:** All applicants considering applying for Rural Development funding are strongly encouraged to reach out to the [Arizona Rural Development office.](#)
  - **Community/Service Area Population:** Because of the specific requirements for Rural Development funding, applicants must provide the most up to date population data for the community/service area in their application. Failure to provide this information will prevent the project from being funded.
- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY27 appropriations bill, the funding will be distributed as a grant agreement administered by the [Arizona Office of Rural Development.](#) Successful requestors must provide documentation to confirm eligibility based on the requirements above. Once eligibility is confirmed, funding can be disbursed. This typically takes 3-4 months from the enactment of the appropriations law.

**Department of Housing and Urban Development – Economic Development Initiatives:**

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One of the broadest authorities available for Congressionally Directed Spending, the EDI account can fund construction, property acquisition, blight removal or remediation, or other rehabilitation or improvement to public facilities, including fire stations or other physical facilities used in fire response. ***Requestors should note this account is incredibly competitive.***

- **What can be funded?** Funding for Economic Development Initiatives (EDIs) is funded within the HUD Community Development Fund for activities eligible under [section 5305 of chapter 69 of title 42, United States Code](#). Examples of eligible EDI projects include, but are not limited to construction, rehabilitation, and improvements of public facilities (except buildings for general conduct of government).
- **Restrictions:**
  - Reimbursement of expenses incurred prior to the enactment of a final FY27 appropriations bill is not permitted.
  - Projects funded under this account are subject to all federal environmental and historic preservation laws, regulations, and Executive Orders. Requestors must understand that receipt of federal funds under this account would require compliance with the following regulations, and all other applicable statutes:
    - [The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200](#)
    - The National Environmental Policy Act (NEPA)
    - [HUD's NEPA-implementing regulations at 24 CFR Part 50 or 24 CFR Part 58](#)
- **Appropriations Subcommittee:** Transportation, Housing and Urban Development, and Related Agencies
- **Administering Agency:** Department of Housing and Urban Development
- **Cost-Share:** Congressionally Directed Spending requests for HUD EDI 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 the HUD EDI Account:
  - **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.

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- **Confirmation of Federal Requirements:** All requestors must confirm that they will be able to comply with all applicable environmental and historic preservation laws, regulations, and Executive Orders.
- **Project Website & CDBG Plans:** Requestors must provide (if applicable) a project website and/or a copy of a CDBG grantee’s Consolidated Plan or Annual Action Plan which includes the project.
- **National Objectives:** Requestors must identify which of the three “National Objectives” of the HUD CDBG program that the requested project and its activities meets, including a description of **how** it meets such National Objectives. The objectives are:
  - benefit low- and moderate-income persons or communities;
  - prevent or eliminate slums or blight; or
  - 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.

Note that the most common “National Objective” is benefit to low- and moderate- income (LMI) persons. (LMI) persons. If using the LMI National Objective, please review [this HUD resource](#). Use the [Map Application](#) tool to provide the necessary data points demonstrating the LMI benefit.

- **Process for Successful Applicants:** If a project is successfully funded in the enacted FY27 appropriations bill, the funding will be distributed as a grant agreement to the requestor. Recipients will be asked by HUD to send all budget and project narrative information to the agency prior to receipt of funds. Funding will not be released until HUD confirms all environmental and historic preservation requirements are met. HUD has set up a webpage for EDI awards [HERE](#), which contains initial information about the requirements associated with previous year’s CDS awards and can serve as a guide for what the process of receiving funding this year could look like.

**FEMA – Pre-Disaster Mitigation Grant (PDM) Program:** Projects that fund efforts to reduce the risk of future natural hazards, including wildfires, are eligible to receive Congressionally Directed Spending through the FEMA Pre-Disaster Mitigation grant program.

- **What can be funded?** The Pre-Disaster Mitigation grant program makes federal funds available to state, local, tribal and territorial governments to plan for and implement sustainable cost-effective disaster measures. These mitigation efforts are designed to reduce the risk to individuals and property from future natural hazards. This funding is offered in addition to funds provided through other

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FEMA grant programs for projects that will support growing mitigation needs nationwide, including a wide range of fire response programs.

- **Restrictions:**
  - FEMA PDM Grant program funding is provided by FEMA to the applicable state administrative agency – in Arizona, this is the [Department of Emergency and Military Affairs](#). Local applicants must work closely with DEMA to determine a project's eligibility and apply for funding.
  - All proposed construction and upgrading activities must undergo an Environmental Planning and Historic Preservation (EHP) review, including approval of the review from FEMA, prior to undertaking any action related to the project.
  - All applicants must have a FEMA-approved Hazard Mitigation Plan by the application deadline and at the time of the obligation of funds, except for planning grants.
  - All applicants applying for mitigation projects must demonstrate the cost-effectiveness of the mitigation project through a Benefit-Cost Analysis or other documentation. Please use the [Benefit-Cost Analysis Toolkit](#) found on the FEMA website.
  
- **Appropriations Subcommittee:** Subcommittee on Homeland Security
  
- **Administering Agency:** Federal Emergency Management Agency
  
- **Cost Share:** The Pre-Disaster Mitigation Grant Program has a cost share requirement. All award recipients must provide a non-federal entity contribution supporting 25% of the total of all project costs.

***Cost-Share Exceptions:***

- Small, impoverished communities are eligible for up to 90% federal cost share and 10% non-federal cost share for their mitigation planning and project applications in accordance with the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#).
  - Small impoverished communities are defined as having 3,000 or fewer individuals identified by the applicant that is economically disadvantaged, with residents having an average per capita annual income not exceeding 80% of the national per capita income.
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- **Requirements:**
    - **DEMA Coordination:** Because DEMA is responsible for administering all funding received from FEMA under the PDM program, any local applicants interested in receiving funding must discuss the project with DEMA staff prior to requesting funding from Senator Kelly and Senator Gallego's

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offices. Applicants are encouraged to email [travis.schulte@azdema.gov](mailto:travis.schulte@azdema.gov) with questions.

- **Project Readiness:** All eligible projects must provide details on the status of the planning and environmental work. Applicants should pay particular attention to the federal [EHP requirements](#).
  - **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. This must include details on how the local recipient will meet the cost-share.
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- **Process for Successful Applications:** If a project is successfully funded in the enacted FY27 appropriations bill, the funding will be distributed to recipients by FEMA to the state administrative agencies (DEMA), which will then provide funding directly to local recipients. DEMA will be required to complete a Notice of Funding Opportunity to confirm all aspects of a project comply with federal funding requirements. An example of a [previous year's NOFO](#) can be found here. Assuming eligibility requirements can be confirmed easily, funding should be disbursed within 6 months of enactment.