

FY26 Congressionally Directed Spending Request Interior, Environment, and Related Agencies Subcommittee Guidance

Office of Senator Jeanne Shaheen

The information below reflects the updated guidance received from the Senate Appropriations Committee for fiscal year (FY) 2026 with respect to congressionally directed spending (CDS) requests. Should you have any questions, please contact Senator Shaheen's office at appropriations_shaheen@shaheen.senate.gov or call 202-224-2841.

Interior, Environment and Related Agencies

The following programs are eligible for CDS requests:

- **Clean Water: EPA, STAG, Clean Water SRF, Clean Water CDS**
- **Drinking Water: EPA, STAG, Drinking Water SRF, Drinking Water CDS**
- **Sanitation Facilities Construction: IHS, Sanitation Facilities Construction, Sanitation Facilities Construction CDS**
- **Historic Preservation Fund: NPS, Historic Preservation Fund Projects**
- **State and Private Forestry: USFS, State, Private, and Tribal Forestry, Forest Resource Information and Analysis**

Clean Water and Drinking Water 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, 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. 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.

Applicants for the Clean Water and Drinking Water accounts are required to provide the following information in their application:

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— 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)?

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.
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<p>6. Storm Water Management – Measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water (i.e. storm sewers, green infrastructure, etc.).</p>	<p>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 – are eligible for DWSRF assistance.</p>
<p>7. Combined sewer overflow (CSO) control and sanitary sewer overflow (SSO) control.</p>	<p>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.</p>
<p>8. Infiltration/Inflow Correction - Construction activities that prevent surface water or groundwater from entering the sewer system.</p>	<p>8. Project planning, design and other related costs</p>
<p>9. Water Security - Installation or upgrade of physical security infrastructure such as lighting, fencing, monitoring and access control. Also, cybersecurity measures, installation of safer 10 treatment technologies, and more secure storage of on-site treatment.</p>	
<p>10. Septic Tanks - Remediation, rehabilitation, removal and replacement of failing tanks are eligible, as well as installation of new tanks.</p>	
<p>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.</p>	
<p>12. Water Reuse - Projects involving the municipal reuse or recycling of wastewater, stormwater, or subsurface drainage water.</p>	

<p>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.</p>	
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Note that SRF projects have very specific eligibility 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
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

Historic Preservation Fund (HPF):

The Historic Preservation Fund (HPF), established to help fund the programs engendered 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 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 within their application:

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.**

State and Private Forestry (SPF):

The State & Private 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. Requests must meet USFS eligibility requirements for the appropriate grant program. Project requests should be part of the state's Forest Action Plan, or contribute to meeting the goals of the Forest Action Plan.

Applicants for the State and Private Forestry accounts are required to provide the following information in their application:

- Is the project part of a state Forest Action Plan or otherwise ranked in a prioritized list (provide list name and rank)?
- How does this project contribute to the state Forest Action Plan?
- What is the federal nexus for this project and why should there be a federal funding component?
- Has this project received previous federal funds (provide year, amount, and program)?
- What is the total cost of the project? Are there matching funds or partner contributions?
- Is the amount requested scalable to a lower amount and if so, what is the minimum amount?
- What is the timeline for this project?
- Describe how the project will 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

Applications for funding for projects included in the fiscal year 2026 President's Budget should not be submitted as CDS requests if the request is for funding at or below the President's request level. 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, 2022 (P.L. 117-103), 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; and 2) a supplemental list of projects that are ready but unfunded. Any funding request for activities not included in the President's Budget must be submitted as CDS. Note that while third party organizations may advocate for specific projects, the Grantee 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.

LRF: Great American Outdoors Act, Legacy Restoration Fund: Pursuant to the Great American Outdoors Act of 2020 (P.L. 116-152) and the Consolidated Appropriations Act, 2022 (P.L. 117- 103), prioritized project lists for deferred maintenance projects to be funded by the National Parks and Public Lands Legacy Restoration Fund will accompany the President's budget request

for BLM, FWS, NPS, USFS, and BIE schools. There will be a high bar for considering any projects not present on the current year's lists.

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 lists.

For Land and Water Conservation Fund (LWCF), Legacy Restoration Fund (LRF), or Land Management Agency Construction (LMCON), please indicate if the project on the relevant list provided by the administration? **Required YES or NO**

The subcommittee may also consider CDS within the following accounts, but only on a case-by-case basis:

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, Habitat Management Priorities* – project requests may be considered for activities related to wildlife and aquatic habitat management.
- *NPS, National Recreation and Preservation, Statutory and Contractual Aid* – project requests may be considered for activities relating to operating, managing, and preserving resources, including as authorized by law.
- *FWS, Resource Management, Stewardship Priorities* – project requests may be considered for fish and aquatic conservation, habitat conservation, recovery, and restoration activities.
- *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.

Bureau of Indian Affairs, 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.

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 Grants: 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.