Congressionally Directed Spending (CDS) Eligible Accounts and Requirements

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

• Agricultural Research Service, Building 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.

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

- o Must meet environmental review requirements (i.e. NEPA and ESA)
- While the entire S&E account is open for CDS requests, below are the line items within the account that are most compatible with CDS:
 - Field Crop & Rangeland Ecosystems Pests
 - Pest Detection
 - Plant Protection Methods Development
 - Specialty Crop Pests
 - Tree & Wood Pests
 - Wildlife Damage Management
 - Wildlife Services Methods Development
 - Veterinary Diagnostics
 - Equine, Cervid and Small Ruminant Health
- o A few APHIS programs have matching requirements:
 - Grasshopper/Mormon Cricket (Field Crop & Rangeland Ecosystems Pests) this program conducts surveys, provides technical assistance, and conducts suppression activities. When conducting suppression activities, the Plant Protection Act dictates the Federal percentage of control costs and cost-sharing for other parties. The Federal government pays the total cost of suppression on Federal land (including most tribal trust lands), 50 percent of the cost on State land, and 33 percent of cost on private land.
- o Brucellosis (Cattle Health) this program has a 40 percent match by the States.
- Wildlife Services reimbursable service agreements are generally 50/50 cost-share and the States would reimburse for their portion.

• Watershed and Flood Prevention Operations (WFPO)

- ODS recipients for WFPO must have a local sponsor. Eligible local sponsors include 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; 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.
- o Projects are required to complete a four-step process including:
 - Preliminary feasibility study (PIFR)
 - Watershed Plan development
 - Implementation of Watershed Plan
 - Commencement of construction for authorized watershed conservation
- o If a project is a "new start" it is eligible only for PIFR funding at a level of \$55,000.

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Applicants are encouraged to request funding for projects that are nearing the construction implementation phase.

- o Requests **must** include the following information:
 - List the 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

- o 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. Rural Development (RD) will verify an applicant's population size from the 2020 census.
- In order to determine whether a project is eligible, the applicant is required to reach
 out to the State RD office. Contact information for the State RD offices can be found
 at this link: https://www.rd.usda.gov/about-rd/state-offices
- o The match requirements are outlined in the CF regulation: <u>7 CFR 3570.63(b).</u> Towns with populations over 20,000 are not eligible for this program. 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
- o In general, CF matching funds must come from a non-Federal source. 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 part of the capital stack can be a part of the applicant required match.
- o 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.
- OCDS 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 FY23 was \$1,000,000. When considering which CDS requests to submit to the Subcommittee, this is a good baseline to use.
- o 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).

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- To fund facilities to be used primarily for recreation purposes.
- To fund facilities to be used primarily for business entrepreneur purposes

Applicants must meet environmental review requirements (i.e., NEPA). Applicants must complete an application with RD if awarded a CDS in the final bill. Note: there are several set-asides within the CF grant program, but congressionally directed spending requests will only be eligible for the general CF Grant program. Due to the complexity of CF grants, all applications should be vetted through your State RD office.

• Rural Development, Distance Learning, Telemedicine, and Broadband Program (DLT) Grants

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

***For both CF Grants and DLT Grants, state directors and local specialists are available to answer specific questions regarding eligibility of a proposed project. You can find their contact information at this link: https://www.rd.usda.gov/about-rd/state-offices.