

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

Transportation Projects – Roads, Bridges, and Highways

Overview:

The Senate Appropriations Committee is accepting requests for Congressionally Directed Spending projects for the Highway Infrastructure Program (HIP) account, which can be used to fund most road, bridge, and highway projects. Arizona stakeholders are invited to submit requests for projects which are eligible for the HIP account.

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.

Road/Bridge/Highway Projects – HIP:

Any project related to the construction, expansion, or improvement a road, bridge, highway, or other surface transportation project is eligible for Congressionally Directed Spending. Requestors are reminded that any project that receives federal funding must meet **all** federal requirements for surface transportation construction.

- **What can be funded?** Any project 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 is eligible for Congressionally Directed Spending. Operational expenses are not eligible.
- **Administering Agency:** Federal Highway Administration, via the Arizona Department of Transportation¹
- **Cost share:** All CDS projects must meet the same local match requirement as all other federal projects administered by the Arizona Department of Transportation. This local share requirement is 5.7 percent.
- **Requirements:** The Senate Appropriations Committee and Arizona Department of Transportation require that the following information be provided for all CDS requests to be funded through the HIP Account.

¹ Tribal projects are administered directly by FHWA

- **STIP/TIP:** All eligible highway projects must be included on the STIP or regional TIP OR the requestor must provide a letter from ADOT or their COG/MPO which confirms that the project is eligible for funding under [title 23](#), that ADOT is willing to carry out the project if funded, and that ADOT or the MPO/COG will include the project on the STIP or TIP if it receives CDS funding. If a project is already on the STIP/TIP, requestors must provide the project's STIP/TIP ID number and a link to the STIP/TIP website.
- **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.
- **Inflation Adjusted Costs:** All eligible projects must submit a copy of [ADOT's Cost Estimate Tool](#) or provide a detailed explanation and budget documentation which confirms that the funding figure requested represents the **total project cost**. Requestors are reminded that if the project costs exceed the amount of funding provided through Congressionally Directed Spending, **it is the responsibility of the local recipient to cover the difference**. ADOT is prohibited by state law from using state funds for most CDS projects. Requestors are reminded that construction and material costs have increased significantly over the past 18 months, and cost estimates from before 2023 likely underestimate the current cost of completion.
- **ADOT Specific Requirements:** Recipients should note that ADOT has worked with more than a dozen Congressionally Directed Spending projects in the past two years, and has established some basic guidelines for all projects which receive CDS funding. Requestors should understand all of these requirements will come with federal funding:
 - Intergovernmental agreements will need to be executed between ADOT and the local project sponsor.
 - Local project sponsors will be responsible for ADOT's project administration fees, such as the costs for design review, administering the development, bid-package preparation, project bid advertisement, and construction administration.
 - The process for initiating and authorizing federally-funded projects must be followed.
 - Cost increases will be the responsibility of the applicable local project sponsors.
- Requestors are strongly encouraged to speak with their local COG/MPO or ADOT about projects which would be a good fit for Congressionally Directed Spending.

- **Process for Successful Recipients:** If a project is successfully funded in the enacted FY26 appropriations bill, the funding will be distributed from the Federal Highway Administration to the Arizona Department of Transportation, which will then sign an intergovernmental agreement with the local project sponsor, based on the requirements above. It takes 2-3 months for ADOT to receive funding after the appropriations bill is signed into law, and work can only commence on a project once an IGA has been signed between ADOT and the local sponsor.

Questions?

- Email appropriations@kelly.senate.gov or appropriations@sinema.senate.gov
- Iqbal Hossain, ADOT's Deputy Director of the Multimodal Planning Division at ihossain@azdot.gov.
- Your local COG or MPO