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IN FOCUS

Infrastructure Spending in States and Congressional Districts

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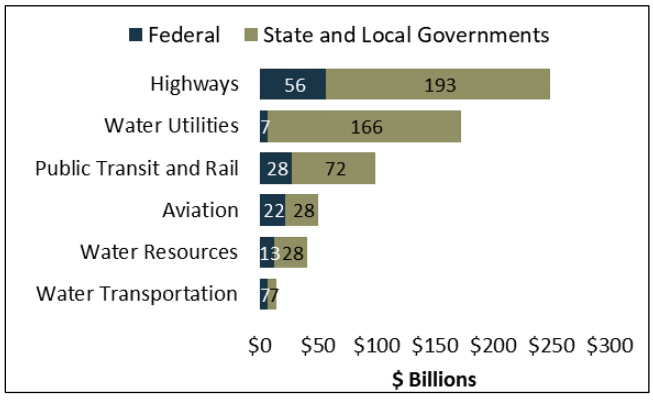
The federal government invests in many types of physical infrastructure that are, with some exceptions such as federal water resource projects, predominantly owned by state and local governments or by the private sector. The federal government invests in infrastructure in four main ways: (1) direct spending on federally owned and operated infrastructure (e.g., federal dams); (2) grants to nonfederal entities, particularly state and local governments (e.g., grants to public transit agencies); (3) loans to nonfederal entities (e.g., loans to sponsors of major highway projects); and (4) tax preferences that forgo federal revenue for nonfederal investment in infrastructure (e.g., tax-preferred municipal bonds used to finance sewers).

Members of Congress may wish to guide federal funding to local infrastructure projects or serve as a conduit to connect constituents to federal funding sources. This In Focus discusses ways in which Members can have a role in allocating federal resources that fund drinking water, wastewater, and surface transportation infrastructure. This includes obtaining "earmarks" (known in the House as Community Project Funding [CPF] and in the Senate as Congressionally Directed Spending [CDS]). The final section discusses information resources for grant opportunities and awards.

Federal Infrastructure Investment

The federal government is an important investor in several infrastructure sectors, including transportation, drinking water and wastewater, and water resources (e.g., dams, levees, reservoirs). In 2023, according to the Congressional Budget Office (CBO), the federal government spent $112 billion on transportation, $7 billion on water utilities, and $13 billion on water resources, whether directly or by making grants to nonfederal entities (in 2023 dollars) (**Figure 1**).

Figure 1. Public Spending on Selected Transportation and Water Infrastructure, 2023



Source: Congressional Budget Office, *Public Spending on Transportation and Water Infrastructure, 1956 to 2023*, February 2025.

Notes: Federal grants to state and local governments are counted as federal spending. Data exclude tax expenditures.

These CBO data reflect spending on capital investment as well as operations and maintenance. In 2023, state and local governments spent more than the federal government across transportation and water infrastructure projects. Other infrastructure sectors in which the federal government invests include telecommunications (e.g., broadband), energy, and rural development (e.g., community facilities).

Community Project Funding/Congressionally Directed Spending

One of the most direct ways for Members to influence funding has been through CPF or CDS. CPF/CDS generally are understood as congressionally directed spending that benefits a specific entity or locality through other than a competitive or internal agency selection process. In recent Congresses, the House and Senate Committees on Appropriations have designated which federal programs or accounts, if any, will be eligible for such funding during the annual appropriations process. Members may then submit requests for projects and may have to meet certain disclosure requirements, such as a certification that the Member has no financial interest in the project. Members also may, among other approaches, submit letters of support, participate in stakeholder meetings, and raise awareness of competitive project opportunities and criteria.

Wastewater and Drinking Water

The U.S. Environmental Protection Agency (EPA) administers a range of programs assisting communities with wastewater and drinking water infrastructure needs. The two primary programs are the Clean Water State Revolving Fund (CWSRF) and the Drinking Water SRF (DWSRF). Congress provides annual appropriations for these SRFs in the Interior and Environment Appropriations Act (totaling $2.8 billion in FY2026). The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) provided $43.4 billion total for FY2022-FY2026 in supplemental SRF appropriations. EPA allots CWSRF appropriations based on a statutory formula and DWSRF appropriations based on a quadrennial infrastructure needs assessment. Based on these allotments, EPA provides grants to states to support their individual SRF programs. States compile lists of projects they intend to fund from their SRFs; these are called intended use plans. States are authorized to use the SRFs to provide subsidized loans to eligible recipients. States also provide additional subsidization (e.g., principal forgiveness).

Recent appropriations acts have included CPF/CDS for certain water infrastructure projects. In these cases, the acts have reserved a portion of each SRF appropriation for CPF/CDS—for example, P.L. 119-74 dedicated 58% ($1.6 billion) of the combined FY2026 SRF regular appropriations to more than 1,100 specified drinking water and wastewater projects. In these cases, Congress determines the recipients of funding rather than the state agencies that implement the SRFs.

Congress has supported specific policy objectives in the SRFs through legislation and appropriations acts. For example, IIJA dedicated certain SRF supplemental appropriations to specific project types (e.g., $15 billion for replacing lead service lines). Further, since the SRFs were established, several acts have amended SRF statutory provisions to support specific objectives, such as affordability (i.e., more favorable assistance for certain communities or projects). In addition, annual appropriations acts in recent years have required states to use minimum percentages (generally 10%) of their allotted funds to provide additional subsidization rather than loans.

In addition to the EPA programs, a number of federal agencies implement programs that support water infrastructure and water supply needs. Departments and agencies that administer these programs include the Bureau of Reclamation, the U.S. Army Corps of Engineers, the U.S. Department of Agriculture, the Department of Housing and Urban Development, and the Department of Commerce's Economic Development Administration. The approaches and statutory frameworks supporting these programs vary. Some of these funding programs provide opportunities for CPF/CDS. For more information, see CRS Report R46471, *Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure*.

Surface Transportation

Highway and public transportation funding, administered by the Department of Transportation (DOT), typically is provided in multiyear surface transportation authorization bills. Funding for FY2022-FY2026 was provided as part of IIJA. Some of this funding was extended (e.g., in P.L. 119-103). Annually, IIJA provided $70.2 billion for highways, $18.2 billion for public transportation, and $2.5 billion for multimodal programs (eligible projects included rail and ports). Some additional funding for similar purposes was provided in annual Transportation and Housing and Urban Development appropriations bills (e.g., in FY2026, $0.9 billion for highways and $1.9 billion for transit), including funding for CPF/CDS. In the past, CPF/CDS also have been included in some surface transportation authorization bills.

Most highway (88%) and public transportation (67%) funding provided by IIJA, and its extension, is distributed to state and local governments by statutory formulas. Decisions about the use of this funding are made through state and local planning processes by state departments of transportation, federally mandated metropolitan planning organizations, and public transportation agencies. Members can participate in stakeholder meetings with these organizations.

Most of the remaining amounts and much of the multimodal funding is distributed competitively by DOT. Congress typically provides discretion to the Secretary of Transportation to distribute competitive funding to eligible projects. Community support for a project, including from Members of Congress, can be taken into consideration by the Secretary. Members often provide a letter of support for inclusion in a project application or directly to DOT.

Tracking Federal Infrastructure Funding

Members may be interested in infrastructure funding opportunities as well as in identifying funding awarded to their states and districts. This information may be found in many federal and nonfederal resources, including program websites, databases, and information portals.

Many federal agencies provide information about their assistance programs—including notices of funding opportunities, past awards, and contact information—on program websites. Grants.gov is a centralized resource that allows users to search and apply for current federal grants across agencies. USAspending.gov provides information about awarded competitive funding (e.g., grants, contracts, direct payments, loans) for programs and projects at the national, state, county, and congressional district levels, including infrastructure awards. USAspending.gov also indexes spending from certain funding laws, such as IIJA, allowing users to identify funding awards from that infrastructure law across all political subdivisions.

The nongovernmental, subscription-based Federal Funding Information for States (FFIS) database provides information on formula grant program funding allocated to states by federal agencies. FFIS also publishes and updates specialized data reports tracking funding awarded to states from recent major infrastructure appropriation laws, including IIJA, the FY2022 reconciliation law (often referred to as the Inflation Reduction Act; P.L. 117-169), the CHIPS and Science Act (P.L. 117-167), and the FY2025 reconciliation law (P.L. 119-21).

To track appropriations and obligations for federal accounts and programs, users—including federal agencies and Members of Congress—can consult the Office of Management and Budget's SF 133 Report on Budget Execution and Budgetary Resources. Organized by fiscal year and federal account, the reports show available monthly and annual budget authority, outlays, and unobligated balances.

Other commercial resources provide information on state-level infrastructure assistance programs. For example, the Database of State Incentives for Renewables & Efficiency (DSIRE) tracks and provides information on federal, state, and utility-based incentives (e.g., grants, loans, tax incentives, rebates) available to stakeholders for energy infrastructure projects and assistance.

For more information on federal infrastructure support, see

CRS In Focus IF12859, *Connecting Constituents with Federal Assistance for Broadband*, by Rachael D. Roan;

CRS Report R49046, *Energy and Water Development and Related Agencies Appropriations: Funding History and Agency Descriptions*, coordinated by Anna E. Normand and Mark Holt; and

CRS In Focus IF13249, *Farm Bill Primer: Rural Development Title*, by Zachary T. Neuhofer.

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