

2025-2026 Rural Project Discretionary Grant

This is only a summary; applicants should not rely on it to meet application requirements. Study the full grant opportunity announcement before applying for any federal grant.

Program Description – The Rural Surface Transportation Grant (Rural) program provides funding for projects on a publicly-owned highway or bridge that provides or increases access to an agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area. All projects on local roads or rural minor collectors must provide or increase access to an agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area. An eligible entity may bundle two or more similar eligible projects under the Rural program if projects are included as a bundled project in a statewide transportation improvement program and will be awarded to a single contractor or consultant pursuant to a contract for engineering and design or construction between the contractor and the eligible entity.

Opportunity Numbers – NIPA-25-26-MEGA	Agency – USDOT	
Obligation Deadline(s) (pg. 31): FY 2025: Sept 30, 2028; FY 2026: Sept. 30, 2029, but applications will be evaluated based on the ability to obligate funds by Sept. 30, 2028.	Closing – May 6, 2024, 11:59 PM EST	BCA Required? Yes
Available Funding (pg. 12): The Department will designate Rural applications as seeking at least \$25 million or as seeking less than \$25 million.	NOFO & Related – MPDG 2025-2026 Notice of Funding Opportunity (transportation.gov)	
Minimum Award (pg. 12): \$0 (<10% of grant awards) and \$25M (≥90% of grant awards)	Eligible Project Cost Restrictions (pg. 12, 14): Per statute, at least 90 percent of Rural grant amounts must be at least \$25 million, and up to 10 percent of Rural grants may be for grant amounts of less than \$25 million. Applications which seek funding above the statutory maximum grant or Federal share for MEGA and INFRA will only be eligible for an award in that amount from the Rural program.	
Eligibility (pg. 8 & 9): <ul style="list-style-type: none"> - Highway, bridge, or tunnel project eligible under: <ul style="list-style-type: none"> • National Highway Performance Program • Surface Transportation Block Grant • Tribal Transportation Program • National Highway Freight Program • Highway Safety Improvement Program - Project on a publicly-owned highway or bridge that provides or increases access to an agricultural, commercial, energy, or intermodal facility supporting the economy of a rural area - Project to develop, establish, or maintain an integrated mobility management system, a transportation demand management system, or on-demand mobility services - Rural = outside urbanized areas with ≥200,000 population (pg. 16). 	Required Cost Share (pg. 12-14): May be used for up to 80% of future eligible project costs. Other Federal assistance may satisfy the non-Rural share requirement for a Rural grant up to 100 percent of project costs.	
	Statutorily Required Available Funding (pg. 6, 12): Approximately \$780 million will be made available for the Rural funding opportunities program for FY 2025-2026. Per statute, at least 90 percent of Rural grant amounts must be at least \$25 million, and up to 10 percent of Rural grants may be for grant amounts of less than \$25 million.	

Project Outcome Criteria: Applications must describe, in detail with supporting documentation, how the project addresses each of these criterion, or else to expressly state that the project does not address the criterion. Insufficient information to assess any criterion will negatively impact the project rating.

Safety	State of Good Repair	Economic Impacts, Freight Movement, & Job Creation	Climate Change, Resiliency, & the Environment	Equity, Multimodal Options, & Quality of Life	Innovation Areas: Technology, Project Delivery, & Financing
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Project must support these statutory project requirements (pg. 25-27) – (1) the project will generate regional economic, mobility, or safety benefits; **(2)** the project will be cost-effective; **(3)** the project will contribute to the accomplishment of one or more of the national goals under 23 U.S.C. § 150; **(4)** the project is based on the results of preliminary engineering; and **(5)** the project is reasonably expected to begin construction not later than 18 months after the date of obligation of funds for the project.

Areas of Persistent Poverty (APP) or Historically Disadvantaged Communities (HDC) (pg. 16-17) – The Secretary must consider whether a project may benefit an APP as defined by BIL, or a HDC defined under the Justice40 Initiative.

Eligible Applicants (pg. 7) – (1) a State; **(2)** a regional transportation planning organization; **(3)** a unit of local government; **(4)** a tribal government or a consortium of tribal governments; or **(5)** a multijurisdictional group of entities above.

Eligible Projects (pg. 8) – (1) a highway, bridge, or tunnel project eligible under National Highway Performance Program; **(2)** a highway, bridge, or tunnel project eligible under Surface Transportation Block Grant; **(3)** a highway, bridge, or tunnel project eligible under Tribal Transportation Program; **(4)**. a highway freight project eligible under National Highway Freight Program; **(5)** a highway safety improvement project, including a project to improve a high-risk rural road as defined by the Highway Safety Improvement Program; **(6)** a project on a publicly owned highway or bridge that provides or increases access to an agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area; **(7)**. a project to develop, establish, or maintain an integrated mobility management system, a transportation demand management system, or on-demand mobility services.

To be eligible, a project should meet all of the following parameters: **(1)** the project is located on a publicly owned highway or publicly owned bridge; **(2)** the application expressly identifies the agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area; **(3)** the application describes how the project provides or increases access to the identified facility; **(4)** the project location should be within a reasonable distance to the identified facility, typically no farther than 10 miles away. If the distance is greater than 10 miles away, the applicant should provide additional justification support how the project provides or increases access to the identified facility.

All projects on local roads or rural minor collectors must qualify under these criteria as providing or increasing access to an agricultural, commercial, energy, or intermodal facility that supports the economy of a rural area.

Eligible Project Costs (pg. 10-11) – Development: planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities. **Construction:** construction, reconstruction, rehabilitation, acquisition of real property (including land related to the project and improvements to the land), environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements.

Application & Narrative Requirements (pg. 18-28) – The required components include **SF-424, SF-424C, MPDG Project Information Form, standardized Cover Page with project details, and several individual application attachments (NOFO, pg. 18).**

The NOFO does not specifically refer to a single narrative, but individual application attachments covering specific aspects of the project. Page limits vary by document and are listed on NOFO, pgs. 18-19. Standard formatting: i.e. single-spaced, standard 12-point such as Times New Roman, 1-inch margins and submitted as pdf unless otherwise indicated. Cross-referencing to avoid information redundancies. Evaluators are not required to review supporting documentation.