

D.C.I.M.B.Y. POLICY NEWSLETTER

What happens in D.C. doesn't stay in D.C.

February 2026 opened the starting gun on the FY2027 federal funding cycle. From the House Appropriations Committee launching its CPF and programmatic request portal to major transit investments, grid reliability actions, and landmark higher education rulemaking, the month set the stage for the policy season ahead.

The curated briefing, presented by [Mortar Strategies](#):

CROSS-INDUSTRY UPDATES

House Appropriations Opens FY2027 CPF and Programmatic Request Portal

Source: House Committee on Appropriations, Chairman Tom Cole, FY2027 Guidance Release, February 25, 2026

Update: House Appropriations Chairman Tom Cole opened the FY2027 request portal on February 25, allowing Members to submit programmatic, language, and Community Project Funding requests. The CPF limit was increased to 20 projects per Member, with subcommittee-specific deadlines running through late March.

Industry Impact: Municipalities, utilities, universities, and nonprofits should engage their House Member's office immediately to submit CPF and programmatic requests. With subcommittee deadlines running through March, February was the window to initiate outreach and prepare project documentation.

FY2026 Appropriations Act Enacted, Adding Funding Across Federal Grant Programs

Source: U.S. Congress, Consolidated Appropriations Act FY2026 (P.L. 119-75), Enacted February 3, 2026

Update: Congress enacted the FY2026 Consolidated Appropriations Act on February 3, establishing full-year funding baselines for federal agencies and grant programs. The legislation added new funding across transportation, water, housing, and transit accounts, including \$103 million in new Port Infrastructure Development Program funds.

Industry Impact: Local governments, utilities, and institutions should review finalized FY2026 allocations for formula and competitive grant programs. Enacted FY2026 levels set the baseline for FY2027 advocacy as House markups begin in spring.

ED RISE Proposed Rule Opens Public Comment on Title IV Student Loan Changes

Source: National Science Foundation (NSF), AI-ENGAGE Program, First Award Announcements, February 12, 2026

Update: NSF announced its first AI-ENGAGE (AI Education and Networked Groups for Agricultural Growth and Engineering) awards on February 12, supporting AI research partnerships between land-grant universities, agricultural communities, and industry. Awards fund projects advancing AI tools for food systems, rural infrastructure, and agricultural innovation.

Industry Impact: Colleges, universities, and financial aid offices should have submitted comments before the deadline. The rule affects graduate borrowing caps, repayment structures, and institutional compliance requirements, with major provisions set to take effect July 1, 2026.

MUNICIPALITY POLICY

USDOT BUILD Grant Applications Close: \$1.5B in Surface Transportation Funding Available

Source: U.S. Department of Transportation, BUILD Grant Program, Application Deadline February 24, 2026

Update: DOT confirmed that BUILD grant applications were due February 24, 2026, with at least \$1.5 billion available for surface transportation projects. BUILD supports roads, bridges, freight infrastructure, and multimodal projects for cities, counties, MPOs, Tribes, transit agencies, and port authorities.

Industry Impact: Applicants should monitor DOT award announcements and prepare to obligate funds quickly upon selection. BUILD is one of the most flexible direct federal infrastructure grants available to municipalities and regional planning organizations.

FTA Announces \$390M in Bus and Bus Facilities Grant Selections Across 19 States

Source: Federal Transit Administration (FTA), Grants for Buses and Bus Facilities Program, February 20, 2026

Update: FTA announced approximately \$390 million in FY2026 Grants for Buses and Bus Facilities selections on February 20, funding 34 projects across 19 states and Puerto Rico. Awards will deliver nearly 200 new buses and construct or rehabilitate approximately 11 bus maintenance facilities.

Industry Impact: Selected transit agencies should work with their FTA regional office to obligate funds promptly. Agencies not selected should track the next Bus Competitive Program NOFO as FTA continues FY2026 program activity.

Port Infrastructure Development Program FY2026 Applications Close February 28

Source: U.S. Maritime Administration (MARAD), FY2026 PIDP Notice of Funding Opportunity, Deadline February 28, 2026

Update: MARAD's FY2026 Port Infrastructure Development Program (PIDP) application deadline was February 28. The FY2026 Appropriations Act added \$103 million to PIDP, supporting cargo efficiency, electrification, resilience, and landside access projects at coastal, Great Lakes, and inland river ports.

Industry Impact: Municipalities dependent on HUD formula grants should quantify potential exposure and prepare for advocacy as the Senate takes up appropriations. Local budget officers should model scenarios reflecting an 8–10% reduction in federal pass-through revenue.

UTILITY POLICY

DOE Awards \$175M to Modernize Coal Plants Serving Rural and Remote Communities

Source: U.S. Department of Energy (DOE), Coal Plant Modernization Announcement, February 11, 2026

Update: DOE announced \$175 million for six projects to modernize, retrofit, and extend the life of coal-fired power plants serving rural and remote communities. Awards went to facilities in West Virginia, Ohio, North Carolina, Kentucky, and other states as part of DOE's broader \$525 million coal fleet initiative.

Industry Impact: Electric utilities and rural cooperatives with coal generation assets should track DOE's next funding round under the \$525 million initiative. Modernization funding supports efficiency upgrades, life extension, and capacity improvements using existing grid-connected infrastructure.

DOE Issues Emergency Orders for Puerto Rico Grid and MISO Grid Reliability

Source: U.S. Department of Energy (DOE), Emergency Orders, February 10 and February 17, 2026

Update: DOE renewed emergency orders for Puerto Rico's electric grid on February 10, extending reliability protections through May 11, 2026. Separately, DOE issued an emergency order on February 17 for the J.H. Campbell power plant in MISO, requiring the facility to remain available beginning February 24 to protect regional grid reliability.

Industry Impact: Electric utilities in MISO and utilities serving Puerto Rico should monitor DOE emergency order status and incorporate federal reliability directives into resource planning. DOE emergency orders signal where federal authorities see near-term grid vulnerability requiring intervention.

DOE Announces \$2.5M in Transmission Acceleration Grants to Expand Grid Capacity

Source: U.S. Department of Energy (DOE), Transmission Acceleration Grants (TAG), February 3, 2026

Update: DOE announced \$2.5 million in Transmission Acceleration Grants (TAG) on February 3, awarding funds to Johns Hopkins University and the Pennsylvania Public Utilities Commission. Projects focus on analytical tools and methodologies to accelerate grid capacity expansion and transmission planning.

Industry Impact: Utilities, RTOs, and state commissions should track TAG program outputs as they produce open-access planning tools. These federally funded research projects directly inform transmission expansion methodologies relevant to utilities facing large-load interconnection backlogs.

NSF Launches \$100M National Quantum and Nanotechnology Infrastructure Program

Source: National Science Foundation (NSF), NSF NQNI Program Announcement, February 13, 2026

Update: NSF announced \$100 million to establish the National Quantum and Nanotechnology Infrastructure (NQNI) program on February 13, supporting up to 16 open-access research sites over five years. Sites will provide students, researchers, and industry access to fabrication tools, instrumentation, and expertise across quantum, semiconductor, biotech, and advanced manufacturing fields.

Industry Impact: Research universities and institutions with existing quantum or nanotech facilities should submit Letters of Intent by March 16 to compete for NQNI site designation. Community colleges and small businesses can also access NQNI facilities as part of the program's regional innovation ecosystem mission.

NSF Launches AI and Cybersecurity Education Solicitation for National Security Workforce

Source: National Science Foundation (NSF), CyberAI SFS Solicitation, February 25, 2026

Update: NSF posted the CyberAI Scholarships for Service (SFS) solicitation on February 25, funding AI and cybersecurity education programs at colleges and universities. The program supports scholarships, curriculum development, and workforce pipeline building for national security and federal cybersecurity roles.

Industry Impact: Computer science, information security, and AI programs at two- and four-year institutions should review CyberAI SFS eligibility and application requirements. Scholarships-for-service programs create direct pipeline connections between institutions and federal agency hiring needs.

MARAD Opens Maritime Centers of Excellence Applications for Colleges and Trade Schools

Source: U.S. Maritime Administration (MARAD), Federal Register Notice, February 12, 2026; Announcement February 17

Update: ED set February 26 as the deadline for nominations to serve on its accreditation reform negotiated rulemaking committee. The committee will develop proposed regulations on higher education accreditation, institutional quality assurance, and accountability, directly affecting Title IV eligibility for all participating institutions.

Industry Impact: Community colleges, trade schools, and maritime academies should review eligibility criteria and apply before the April 13, 2026 deadline. CoE designation enables cooperative agreements with MARAD for student recruitment, facility enhancement, and access to federal maritime resources.

ABOUT MORTAR STRATEGIES

Most communities watch their state capital while D.C. makes the decisions.

D.C. In My Backyard (D.C.I.M.B.Y.) is a resource to shine a light on federal policy affecting your community.

Mortar Strategies is a bipartisan government relations firm for organizations that want to build their way, not D.C.'s.

We represent municipalities, utilities, universities, chambers of commerce, and the nonprofits and trade associations that anchor American communities.

We are monitoring legislation before it moves, building Capitol Hill relationships that count, and turning federal complexity into local strategy.

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