

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

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

March 2026 was a month of deadlines and funding launches across every sector DCIMBY tracks. From the close of the FY2027 Community Project Funding window to nearly \$2 billion in grid infrastructure funding and landmark workforce education rulemaking, Washington set the table for the spring policy season with direct implications for local communities.

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

CROSS-INDUSTRY UPDATES

FY2027 Community Project Funding Window Closes: Last Chance for Local Earmark Requests

Source: House Committee on Appropriations, FY2027 Member Requests Guidance, March 27, 2026

Update: The FY2027 Community Project Funding (CPF) submission deadline closed March 27. CPF directs federal funds to local projects with a federal nexus across infrastructure, water, housing, health, and education, with eligibility for local governments, utilities, nonprofits, and higher education.

Industry Impact: Organizations that missed March 27 should engage their House Member now and begin positioning for FY2028. Those with pending requests should monitor the April 17 public posting deadline to confirm their Member's submission is on file with the Committee.

ED Publishes Workforce Pell Grant Proposed Rule, Opening Public Comment Period

Source: U.S. Department of Education, Federal Register, Notice of Proposed Rulemaking, March 9, 2026

Update: ED published its Workforce Pell Grant NPRM on March 9, proposing Pell eligibility for short-term programs as brief as eight weeks. The program is set to launch July 1, 2026.

Industry Impact: Community colleges and technical institutions should review eligibility criteria and performance benchmarks. The comment window was a key opportunity to shape the final rule before July 1.

NSF Launches TechAccess: AI-Ready America with \$224M for State Coordination Hubs

Source: National Science Foundation (NSF), TechAccess: AI-Ready America Program Solicitation NSF 26-508, March 25, 2026

Update: NSF launched TechAccess: AI-Ready America on March 25, releasing \$224 million to establish up to 56 State and Territory AI Coordination Hubs across every U.S. state and territory. The joint NSF, DOL, and SBA initiative expands AI knowledge, workforce training, and capacity building.

Industry Impact: Universities, community colleges, nonprofits, and state and local governments are all eligible. Letters of intent are due June 16 and full proposals July 16, 2026, a significant opportunity for institutions already investing in AI readiness.

MUNICIPALITY POLICY

HUD Announces \$349M in Continuum of Care Renewal Funding for Local Homelessness Programs

Source: U.S. Department of Housing and Urban Development (HUD), March 31, 2026

Update: HUD announced \$349.2 million in FY2025 Continuum of Care (CoC) renewal funding for 622 projects expiring in Q1 2026, per the Consolidated Appropriations Act, 2026. Awards support housing stability and homelessness programs operated by municipalities, housing authorities, and local nonprofits nationwide.

Industry Impact: Municipalities and housing authorities with active CoC programs should confirm award status and secure local match commitments. Organizations not in the CoC system should monitor upcoming NOFOs as HUD continues rolling out FY2025 and FY2026 rounds.

DOT Opens Nearly \$1B Safe Streets and Roads for All FY2026 Funding Round

Source: U.S. Department of Transportation, *Safe Streets and Roads for All FY2026 NOFO*, March 2026

Update: DOT issued the FY2026 SS4A Notice of Funding Opportunity, making up to \$993.5 million available for local, regional, and Tribal roadway safety projects. The program funds implementation grants and planning and demonstration grants targeting reduction of roadway injuries and fatalities.

Industry Impact: Cities, counties, metropolitan planning organizations, and Tribal governments should assess eligibility and prioritize projects aligned with their local road safety action plans. SS4A is one of the most direct federal roadway safety funding streams available to municipalities and regional planning entities.

FTA Invests \$100M in Transit for 2026 FIFA World Cup Host Cities

Source: Federal Transit Administration (FTA), *World Cup Public Transportation Formula Program*, March 3, 2026

Update: On March 3, DOT Secretary Duffy announced FTA will invest \$100.3 million in public transit systems across the 11 U.S. host cities for the 2026 FIFA World Cup. Funding is apportioned by formula based on stadium capacity and number of matches per city, and supports planning, capital, and operating expenses through July 31, 2026.

Industry Impact: Host-city transit agencies should obligate funds promptly given the 100% federal share and flexible use for capital and operations. Improvements made for the World Cup will provide lasting transit capacity benefits beyond the tournament.

UTILITY POLICY

DOE Announces \$1.9B SPARK Funding Opportunity for Critical Grid Infrastructure Upgrades

Source: U.S. Department of Energy, Office of Electricity, *SPARK Notice of Funding Opportunity*, March 12, 2026

Update: DOE's Office of Electricity announced \$1.9 billion through the SPARK program on March 12 to fund transmission reconductoring and advanced grid technologies. Projects must expand capacity and improve reliability, with awards ranging from \$10 million to \$250 million.

Industry Impact: Eligible applicants include utilities, grid operators, states, Tribes, and universities. Concept papers were due April 2 and full applications May 20, utilities should identify reconductoring projects that demonstrate rapid capacity gains.

FERC Releases 2025 State of the Markets Report Flagging Data Center Load Growth

Source: Federal Energy Regulatory Commission (FERC), *2025 State of the Markets Report*, March 2026

Update: FERC released its 2025 State of the Markets report in March, identifying AI data center load growth as a top driver of electricity demand and grid planning pressure. The report documents capacity constraints and regional market performance across wholesale electricity markets.

Industry Impact: Utilities and municipal power systems should integrate FERC's large-load findings into capacity planning. The report provides authoritative data for transmission investment justifications and reliability planning submissions.

EPA Requests Comment on Clean Water Act Financial Capability Assessment Guidance

Source: U.S. Environmental Protection Agency (EPA), *Federal Register Notice*, March 26, 2026

Update: EPA published a Federal Register notice on March 26 requesting comment on updated Clean Water Act financial capability assessment guidance. The guidance governs how municipalities and utilities demonstrate capacity to fund CWA compliance improvements, including CSO and SSO projects, when negotiating consent decrees and compliance schedules.

Industry Impact: Municipalities and utilities under active CWA consent decrees should submit comments and engage EPA on the methodology. Financial capability guidance directly affects affordability determinations and repayment timelines regulators apply when setting compliance milestones.

MARCH 2026

HIGHER EDUCATION POLICY

ED Workforce Pell NPRM Publishes: Institutions Have 30 Days to Shape Final Rule

Source: U.S. Department of Education, Federal Register NPRM, March 9, 2026

Update: The Workforce Pell NPRM, published March 9, proposed extending Pell eligibility to programs as short as eight weeks with new accountability standards covering completion rates, job placement, and earnings benchmarks. Comments were due in early April.

Industry Impact: Institutions offering short-term credentials should audit programs against the proposed benchmarks ahead of the July 1 launch. Four-year institutions with non-degree offerings should track how the final rule defines eligible programs and performance thresholds.

PHMSA Announces Nearly \$100M for Aging Pipeline Infrastructure Modernization

Source: Pipeline and Hazardous Materials Safety Administration (PHMSA), March 23, 2026

Update: PHMSA announced nearly \$100 million in grants on March 23 for pipeline safety and modernization. Funding supports inspection, replacement, and rehabilitation of aging gas distribution and transmission infrastructure serving municipalities and local utilities.

Industry Impact: Municipalities with gas distribution systems should review PHMSA grant eligibility and assess pipeline replacement backlogs. Funding supports leak detection, risk-based safety programs, and modernization projects that improve public safety.

ED Releases FY2026 Eligibility Designations for Title III, Title V, and HBCU Programs

Source: U.S. Department of Education, Federal Register Notice, March 24, 2026

Update: ED released FY2026 eligibility designations on March 24 for Title III, Title V, HBCU, and Tribal College programs. Designations determine which institutions qualify for federal institutional development funding under the Higher Education Act.

Industry Impact: Institutions should verify FY2026 eligibility and engage Title III/V program officers promptly. Newly designated institutions should establish compliance infrastructure; continuing grantees should align with updated reporting requirements.

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.

Something in this edition hit close to home? Reply and tell us what you're watching. We read every response.

Mortar Strategies | mortarstrategies.com | derek@mortarstrategies.com