

FEDERAL POLICY UPDATES

Monthly Legislative & Regulatory Briefing

March 2026 delivered a dense slate of federal action across the sectors most closely monitored by Mortar Strategies. From a landmark advanced nuclear construction permit to sweeping SEC crypto-asset guidance and the FY2027 appropriations cycle underway, the month reinforced that the regulatory and legislative landscape is moving on multiple fronts simultaneously.

Below is Mortar's curated briefing, organized by sector, with sourcing and key implications for each development.

MULTI-INDUSTRY FEDERAL POLICY: CONGRESS & WHITE HOUSE

FY2027 Appropriations Cycle: Member Day and Hearing Activity

Source: Congress / House Appropriations

March marked the practical kickoff of FY2027 appropriations positioning through Member Day hearings and submission windows across subcommittees. For organizations with funding or authorization interests, this is the window when outside priorities begin translating into formal committee engagement.

White House Task Force to Eliminate Fraud

Source: White House / Executive Order: March 16

Establishes a formal interagency anti-fraud structure spanning major benefit and payment agencies, with emphasis on eligibility verification, improper payments, data sharing, and program integrity. One of the clearest March signals on the Administration's government-operations priorities.

Reconciliation 2.0: Senate and House Budget Chairs Signal Second Package

Source: Senate Budget Committee / House Budget Committee: March 25 - 27

In back-to-back moves, Senate Budget Chairman Lindsey Graham (R-SC) and House Budget Chairman Jodey Arrington (R-TX) each signaled movement toward a second reconciliation bill. Graham announced in consultation with President Trump and Senate Majority Leader Thune that the Senate Budget Committee will "expeditiously move" to develop a second reconciliation vehicle focused on homeland security, defense funding, and election integrity. On the House side, Arrington outlined a complementary framework on CNBC's Squawk Box, calling for a 3% deficit-to-GDP glide path as the fiscal anchor for Reconciliation 2.0, arguing that a 10-year balanced budget is no longer a realistic target given current deficit levels near 6% of GDP. Together, the two statements represent the clearest March signal yet that congressional Republicans intend to use the reconciliation process a second time with defense, border security, and fiscal reform as the legislative vehicle. Organizations tracking appropriations, entitlement programs, and federal spending baselines should treat this as an active process with near-term committee implications.

Executive Order: DEI Practices by Federal Contractors

Source: White House / Executive Order: March 26

A significant federal contracting shift requiring covered contractors to certify they do not engage in racially discriminatory DEI activities. Non-compliance creates exposure to contract termination, suspension, debarment, and False Claims Act liability, raising the stakes for any company with a federal contracting relationship.

USDA Forest Service Headquarters Relocation and Agency-Wide Restructuring

Source: U.S. Department of Agriculture / Press Release + Reorganization Plan: March 31

On March 31, USDA announced the Forest Service will relocate its headquarters from Washington, D.C. to Salt Lake City, targeting completion by summer 2027 and undergo a sweeping structural overhaul. All nine regional offices will close, replaced by 15 state-based directors modeled on the Interior Department's BLM structure. Operational service centers will be established in Albuquerque, Fort Collins, Athens, Madison, Missoula, and Placerville. Research leadership consolidates under a single organization in Fort Collins. Approximately 260 HQ positions will move west; 130 remain in Washington. For organizations with permitting, timber, land use, or research relationships with the Forest Service, this restructuring will materially shift the geography and chain of command for federal engagement.

HEALTHCARE

HHS-OIG Advisory Opinion 26 - 03 - Devices

Source: HHS OIG / Advisory Opinion: (Issued) March 4 | (Posted) March 9

OIG issued an opinion in favor of a device/software discount structure for ambulatory surgery centers tied to affiliated physician practice software, a compliance sign for bundled tech arrangements in medtech and provider markets.

FDA Draft Guidance to Streamline Biosimilar Development

Source: FDA / Draft Guidance + Press Release: March 9

FDA's revised approach could reduce pharmacokinetic study costs by up to 50%, roughly \$20 million, when scientifically justified. One of March's most important healthcare affordability and market-competition developments, with downstream implications for biosimilar market entry timelines.

MACPAC March 2026 Report to Congress on Medicaid and CHIP

Source: MACPAC / Report to Congress: March 12

Provides a recommendation on HCBS wage transparency and major sections on behavioral health, justice-involved youth, and foster-care-related Medicaid access, shaping the Medicaid reform conversation heading into FY2027.

HIGHER EDUCATION

Department of Education Proposed Rules: Workforce Pell

Source: U.S. Department of Education / Proposed Rule: March 9

Starting July 2026, Pell Grants will be eligible for short-term workforce programs as brief as eight weeks, a significant shift for community colleges and skills-based credential providers.

College Scorecard / FAFSA Earnings Indicator Update

Source: U.S. Department of Education / FSA + ED Update: March 23 (Last update)

Updated post-graduation earnings data expand federal transparency in college decision-making. Institutions should expect heightened outcomes scrutiny from prospective students.

Guidance: Transitioning Borrowers Out of the SAVE Plan

Source: U.S. Department of Education / Press Release: March 27

ED directed borrowers in the unlawful SAVE plan to transition into a legal repayment option, with broad implications for loan servicers, borrower communications, and institutional enrollment.

MANUFACTURING & ENERGY

NRC Construction Permit: TerraPower Natrium Advanced Reactor

Source: Nuclear Regulatory Commission / Construction Permit: March 4

A landmark for advanced nuclear. The Natrium sodium-cooled fast reactor permit moves next-gen baseload power from policy aspiration to reality, reinforcing nuclear's role in meeting surging electricity demand from AI infrastructure.

Executive Order: Truthful "Made in America" Advertising

Source: White House / Executive Order: March 13

Targets fraudulent domestic-origin claims, strengthening the policy environment around U.S. manufacturing branding and sourcing credibility. A notable commercial-policy move with implications for supply chain systems & messaging.

FERC Approval of New Grid Reliability Safeguards

Source: FERC / Final Rule and Commission Action: March 19

FERC updated reliability standards establish a new cybersecurity compliance floor for lower-impact bulk electric system assets, a direct response to AI and data center load growth straining grid infrastructure