

Federal Advocacy Update

Irma Esparza Diggs

Senior Executive and Director of Federal Advocacy



State of Play: FY26 Budget and Appropriations



Full FY 2026 appropriations have now been enacted for all federal agencies except the Department of Homeland Security (DHS)



Ongoing partisan disagreements in Congress over immigration enforcement accountability **could allow this partial shutdown to extend well into March**, creating growing uncertainty for local governments.



Impacts for Local Governments:

- **Delays** in disaster relief and emergency support
- **Reduced Cybersecurity Support** to protect critical infrastructure
- **Strain on Local Public Safety** coordination



Federal Funds in Colorado Communities

62 municipalities received direct federal grants under IIJA and IRA (as of December)

- Serving 3.45 million residents (\approx 57% of Colorado's population)
- 155 projects totaling \$250M

60 municipalities received FY25 direct federal grants

- Includes major support from the Airport Infrastructure Program and Federal Transit Formula Grants
- Represents \$570M+ in municipal investment

50 municipalities benefiting from pass-through funds

- Total of \$150M





Federal Advocacy Priorities

2026

Simplify Federal Requirements for Communities

Improve Housing Attainability

Promote Public Safety

Strengthen Infrastructure Investment

Build Future-Focused Communities

Build Community Resilience and Support Local Economies

Reduce Legal and Financial Burdens on Local Governments



Streamlining Federal Grants Act



Streamlines the Federal Grant Process

by requiring “plain English” notices and reducing technical complexity, making applications more accessible to small and rural communities.



Expands Training and Technical Assistance

to ensure all cities—regardless of size or capacity—can compete for federal funding.



Identifies and Removes Barriers

that prevent underserved communities from participating in federal grant programs.



Backed by Strong NLC Advocacy

including bipartisan reintroduction in the Senate and an active Call to Action encouraging cities to urge Senators to co-sponsor the bill.



Road to Housing Act + Housing for the 21st Century Act



Bipartisan Senate and House Support

Senators Warren and Scott led on the development and passage of S. 2651 | Rep. Hill (KY) and Rep. Waters (CA) for H.R. 6644



Improving Housing Opportunity

Gives communities, builders and lenders more tools and supports necessary to build more homes, decrease costs and open the door to housing opportunity nationwide.



Reconciling Key Differences

Negotiations are ongoing on regulatory streamlining mechanisms to build support among the conference before sending back to the Senate.



Local Government Spotlight

Housing for the 21st Century Act includes major improvements to local government programs like CDBG and HOME.



Transportation Reauthorization



Transportation Programs Expire 9/30

Over 62 communities in CO have been obligated (Infrastructure Investment and Jobs Act) IJA funds to serve over 200k residents.



Transformative Program Funds in Danger

Key leaders in House and Senate indicating they may scale back the next bill. Both chambers eyeing a release of text this Spring.



Building Strong Coalitions

NLC has partnered with a coalition of local and regional transportation organizations to rally support for strong proposals that will strengthen local access to federal transportation funding.



Share Your Story

Meet with your Representative and Senators [ASAP](#) to ensure they know your area's transportation needs and share a common message:

“ *The federal government should partner with local and regional transportation organizations to deliver priority transportation projects.* ”



 **Increase the most flexible transportation program – the Surface Transportation Block Grant (STBG) formula program**

 **Invest in locally owned bridges in poor condition**

 **Keep investing in road safety**

 **Affirm local project selection processes in the regions are respected.**

 **Support planning funds**



Water Infrastructure



State Revolving Funds Expire 9/30

Funding levels authorized from IIJA are at their highest levels from all 5 years but critical to maintain level or increase funding to account for inflation in reauthorization.



Water Resources and Development Act

Submit project and funding authorization requests to Senators by Feb. 6th



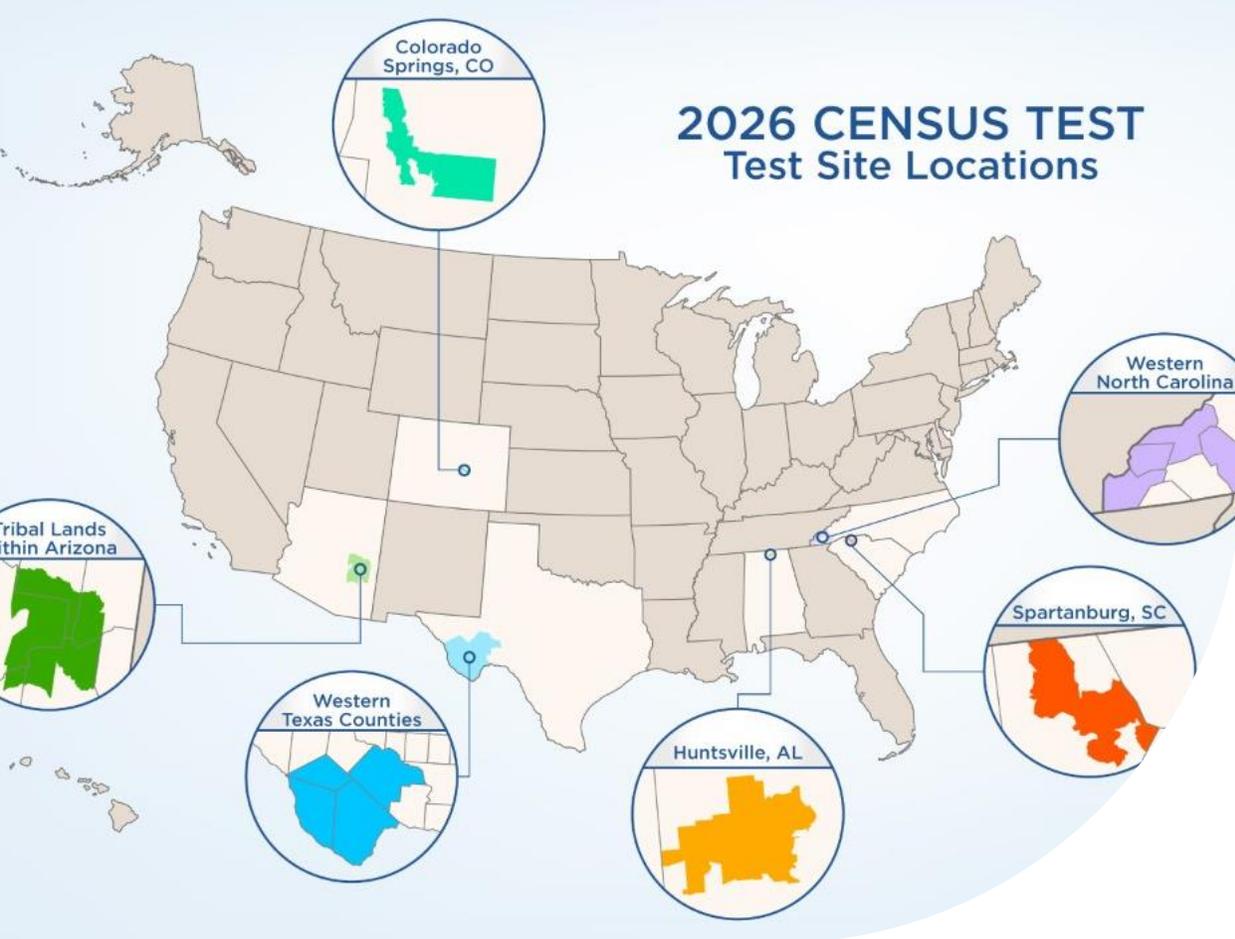
PFAS Municipal Liability Protection

NLC seeking a narrow exception from Congress so that municipal drinking water, wastewater and stormwater utilities and landfills are not held liable for contamination that they neither caused nor contributed to.



Take Action

Let your Member of Congress know your water infrastructure and surface transportation funding needs.



Automated Group Quarters Procedures

With correction facilities, large universities, military installations and other types



New In-Field Enumeration Procedures

For complex housing units, multiunit structures, and/or hidden housing units



Early In-Field Enumeration Procedures

In areas surrounding universities



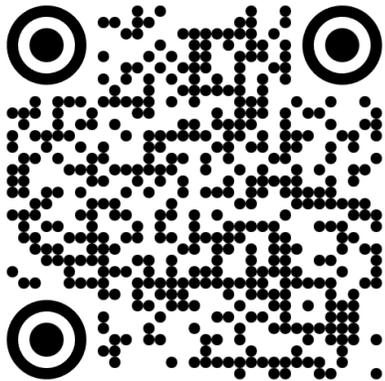
Contact Strategies with Housing

including bipartisan reintroduction in the Senate and an active Call to Action encouraging cities to urge Senators to co-sponsor the bill

Census Testing Cancelation in CO

Legal Advocacy Updates

NLC filed amicus briefs in 8 Supreme Court cases and three non-Supreme Court Merits cases in collaboration with IMLA and NACo and continues to educate local officials.



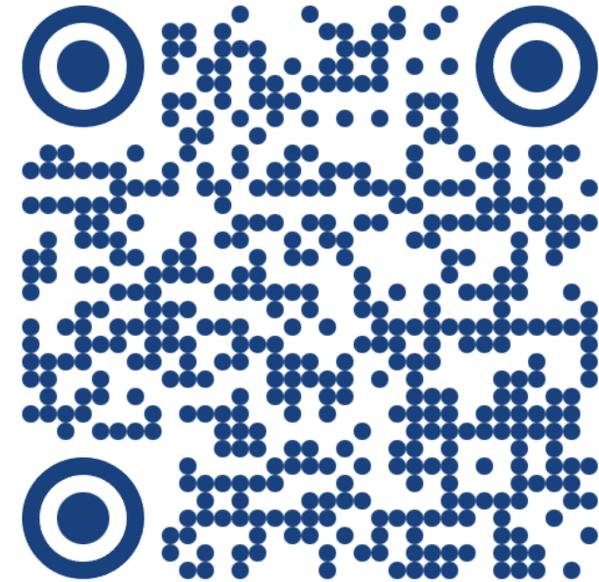
NLC Executive Action Tracker									
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="display: flex; gap: 10px;"> <div style="text-align: center;"> OVERTURNED</div> <div style="text-align: center;"> NOT IN EFFECT</div> <div style="text-align: center;"> IN EFFECT</div> <div style="text-align: center;"> UPHELD</div> <div style="text-align: center;"> PENDING LEGAL CHALLENGES</div> <div style="text-align: center;"> AWAITING NLC ANALYSIS</div> </div> <div style="text-align: right;">CLEAR </div> </div>									
Topics			Federal Agencies of Jurisdiction						
All			All						
ACTION	EA LINK	DATE ISSUED	TOPICS	SUMMARY OF IMPACT ON LOCAL GOVERNMENTS	FEDERAL AGENCIES OF JURISDICTION	STATUS	FACT SHEET LINK		
Improving Oversight of Federal Grantmaking		8/7/2025	Government Contracts, Federal Management & Administration	<p>The Improving Oversight of Federal Grantmaking Executive Order asserts authority to partially or fully terminate grants already in process. The order adds additional steps to review new funding announcements and potential awards to ensure they are consistent with Administration priorities and the national interest. Discretionary awards will be reviewed on an annual basis to ensure substantial basis. Until the new process is in place, agencies are prohibited from issuing new funding opportunities without prior approval from the administratively appointed contact at each agency, except as required by law.</p> <p>The order also updates the Uniform Guidance, which governs all federal grants, with the stated intent of streamlining application requirements. It would also require that all discretionary grants permit termination at the Administration's discretion, rather than only in cases where an applicant mismanages funds.</p>					
Ending Crime and Disorder on America's Streets		7/24/2025	Housing, Public Health & Safety	<p>The Ending Crime and Disorder on America's Streets Executive Order directs agency heads to assess discretionary grant funding and consider prioritizing jurisdiction based on criteria related to vagrancy crime enforcement. These include enforcement of prohibitions on open illicit</p>					

<https://www.nlc.org/resource/presidential-actions-summary-impact-to-local-governments/>

YOUR ADVOCACY MATTERS



Scan the QR code below to sign up for our Federal Advocacy Update Newsletter



or visit <https://www.nlc.org/news-insights/newsletters/>

Advance your community, JOIN THE **NLC** COMMUNITY

Membership with NLC includes exclusive access, tools, and resources available to your entire city, town, or village!

Scan the QR Code to discover the benefits your municipality can enjoy by becoming a member of NLC.

Connect with us at membership@nlc.org or (202) 626-3100





CONGRESSIONAL CITY CONFERENCE

★ March
16-18
2026 ★

★ EXECUTIVE EDUCATION & PRE-CONFERENCE ACTIVITIES: MARCH 14-15 ★ WASHINGTON, DC



[CCC.NLC.ORG](https://ccc.nlc.org)

#CCC26