U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

Fiscal Year (FY) 2026

Notice of Funding Opportunity (NOFO)

Hazardous Materials State Inspection (HMSI) Grant Program

NOFO Posted Date:	May 18, 2026
Applications Due Date:	June 19, 2026, 11:59 p.m. EST
Questions Due Date:	June 17, 2026, 11:59 p.m. EST

Applicant must be registered at www.grants.gov to apply online. It is highly recommended that applicants begin the registration process as soon as possible to avoid delays in submission. In addition, applicants must maintain an active registration in the System for Award Management at www.SAM.gov.

Furthermore, applicants are encouraged to register for an account with FedConnect at www.fedconnect.net before applying. FedConnect is a messaging platform where applicants can communicate directly with PHMSA. Your organization's Marketing Partner ID Number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, view the *FedConnect: Ready, Set, Go! Tutorial* under the *Need Help?* section on the FedConnect home page.

Assistance Listing (formerly CFDA)
20.707 "HMSI Grant"

PHMSA Notice of Funding Opportunity Number
693JK326NF0001

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SECTION A - BASIC INFORMATION

Federal Agency Name:	U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration
Funding Opportunity Title:	"Fiscal Year 2026 Notice of Funding Opportunity: Hazardous Material State Inspection (HMSI) Grant Program"
Announcement Type:	Initial Announcement
Funding Opportunity Number:	693JK326NF0001
Assistance Listing Number:	20.707
NOFO Posted Date: Application Due Date: Question Due Date:	May 18, 2026 June 19, 2026, 11:59 p.m. EST June 17, 2026, 11:59 p.m. EST

Executive Summary

HMSI is a financial assistance program that provides grants to States to perform HAZMAT shipper inspections to improve the safety of HAZMAT transport, reduce fatalities, and reduce injuries. States can utilize HMSI funding to cover costs for HAZMAT shipper inspections to include personnel, travel, equipment, supplies, and training for HAZMAT inspectors.

A.1 Funding

PHMSA will make $2,500,000 available to support the FY 2026 HMSI financial assistance program.

A.2 Period of Performance

The period of performance is a minimum of 12 months from the effective date of the award. An applicant may request a period of performance up to 24 months. Applicants must only apply for funding that can be reasonably expended within this time frame and for allowable projects that can be completed within the period of performance.

A.3 Type of Award

Discretionary grant award.

Agency Contact Information

Questions related to the content of this funding opportunity should be submitted to the point of contact below or e-mail HMSI@dot.gov.

If an applicant has technical difficulties submitting the application through grants.gov, the applicant should contact grants.gov at 800-518-4726 or e-mail support@grants.gov, as well as contact Carla.Sheppard@dot.gov.

Program Contact
Carla Sheppard
Phone: 202-689-9818
E-mail: Carla.Sheppard@dot.gov

SECTION B - ELIGIBILITY

B.1 Eligible Applicants and Activities

The FY 2026 HMSI program is open to State agencies who have the authority and capability to perform HAZMAT shipper inspections in accordance with the HMR and within the *Hazardous Materials Transportation Investigator/Inspector Uniform Training Performance Standards.* This includes performing inspections or investigations onsite or offsite of a HAZMAT shipper operation to determine whether the entity is in compliance with the HMR or applicable authorized international HAZMAT transportation standards. HAZMAT shipper inspection may be initiated based on a possible issue with the company's safety management controls or complaints.

Eligible grant projects/expenses include the following:

1. HAZMAT shipper inspection cost (inspector time/wage, travel expenses)
2. HAZMAT inspection equipment and supplies (personal protective equipment (PPE) and personal electronic devices (PEDs)
3. HAZMAT inspector training

B.2 Cost Sharing or Matching

There are no requirements for cost-sharing or matching.

B.3 Funding Restrictions

The following costs are not eligible for reimbursement under the FY 2026 HMSI grant:

1. Personnel costs such as overtime, backfill, stipends, and fees for the State and local personnel receiving training.
2. Entertainment, alcohol, or morale costs.
3. Excessive costs for general office supplies, equipment, computer software, printing and copying.

4. Expenses claimed or reimbursed by another program.
5. Expenses counted as match funds towards another Federal program.
6. Any costs disallowed or stated as ineligible in 2 CFR Part 200.
7. Pre-Award costs are not authorized, and grant recipients must separately obtain PHMSA's written approval to fund pre-award costs consistent with 2 CFR § 200.458.

SECTION C – PROGRAM DESCRIPTION

C.1 Statement of Purpose

This funding opportunity is associated with Assistance Listing 20.707. Through this Notice of Funding Opportunity (NOFO), the Pipeline and Hazardous Materials Safety Administration (PHMSA) is requesting applications from States for Hazardous Materials State Inspection (HMSI) funding to carry out State-based inspections of HAZMAT shippers to increase compliance and ensure the safe transport of HAZMAT.

HMSI financial assistance awards will be in the form of a grant between PHMSA and participating State agencies to provide funding to perform HAZMAT shipper inspections. As part of the grant agreement, States must agree to collect and to share HAZMAT shipper inspection data with PHMSA.

PHMSA requires applicants to comply with all applicable Federal financial assistance regulations and maintain an auditable accounting system that includes detailed accounting and description of each grant expenditure. PHMSA measures performance based on whether the projects included in the approved financial assistance application fulfill the requirements outlined in the statement of need.

HMSI grants will be awarded to State agencies to perform HAZMAT shipper inspections. HMSI funds will be used to increase industry compliance, thereby ensuring the safety of HAZMAT shipments nationwide.

PHMSA will issue no more than one HMSI award per State. States are strongly encouraged to coordinate and to select one State agency to apply for HMSI funding.

C.2 Statute and Program Authority

Congress first authorized this program in the Consolidated Appropriations Act, 2021 (Pub. L. 116-260), which provided up to $2,500,000 for the HMSI financial assistance program. Most recently, Congress provided HMSI funding in the Consolidated Appropriations Act, 2026 (Pub. L. 119-75).

SECTION D - APPLICATION CONTENTS AND FORMAT

D.1 Address to Request Application Package

PHMSA requires applicants for this funding opportunity to apply electronically through grants.gov. Applicants must download the application package associated with this funding opportunity.

The application package contains the required electronic forms and the ability to upload attachments for the budget narrative, budget justification, project narrative, assurances, and certifications. The applicant must submit the information outlined in the Application Guide in addition to the program-specific information below.

If you are a hearing-impaired person, please contact FR/TTY at 1-800-877-8339 or e-mail PHMSA-Accessibility@dot.gov.

D.2 Content and Form of Application Submission

Applications for FY 2026 HMSI funding should be submitted in electronic format to grants.gov according to the following outline. The application includes two overall sections: (1) standard forms that the applicant must download and complete from grants.gov under the FY 2026 HMSI funding opportunity; and (2) attachments that the applicant will need to create and upload.

Standard Forms

The following forms are found in grants.gov under the FY 2026 HMSI funding opportunity and must be completed by the applicant.

1. Standard Form SF-424 – Application for Federal Assistance
2. Standard Form SF-424A – Budget Information for Non-Construction Programs
3. Certifications Regarding Lobbying
4. Standard Title VI/Non-Discrimination Assurances

Applicant Attachments

All the following forms must be created by the applicant and uploaded to grants.gov under the FY 2026 HMSI grant funding opportunity. Guidance for completing the project narrative and budget narrative is provided in the proceeding sections:

1. Project Narrative attachment
2. Budget Narrative attachment
3. Indirect Cost Agreement or Statement claiming 15 percent de minimis (if applicable)
4. Letters of Support from partner organizations (if applicable)
5. Additional optional attachments (if applicable)

Applications should be well written single-spaced, 12-point standard font (e.g., Times New Roman), and free of mathematical errors in the line-item budget and budget narrative. Program narratives should have the sections clearly identified and follow the structure requested in this NOFO. The application forms and templates are available on grants.gov in the "Related Documents" tab with detailed instructions on the application process. Please also reference **Section F, Application Review Information,** to ensure that the application addresses the criteria on which PHMSA will evaluate.

Given the complexity of some aspects of the application process, technical assistance is available to help with the application process. Please contact the technical primary point of contact listed in Section I for technical assistance.

Sharing of Application Information – PHMSA may share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives. Click here for more information.

SECTION E – SUBMISSION REQUIREMENTS AND DEADLINES

E.1 Submission Dates and Times

Completed applications must be received electronically by 11:59 p.m. EST on June 19, 2026. Do not physically mail any applications. Applications received after this deadline may not be considered. PHMSA will only accept one application per applicant.

Questions Due Date and Time: June 17, 2026 by 11:59 p.m. EST.

NOTE: All questions can be submitted via the Message Center in FedConnect or send questions to the Technical Point of Contact in Section I of this NOFO. PHMSA is not responsible for answering questions that are received after the Questions Due Date and Time.

To begin the process, applicants must be registered with grants.gov to apply. It is highly recommended that applicants begin the registration process as soon as possible to avoid delays with submission. **Failure to comply with the application requirements as described in this section may result in rejection of the application.**

Accessing Grants.gov

1. **Grants.gov**. For new users, go to https://www.grants.gov/applicants/applicant-registration, or go to the main page at https://www.grants.gov/ and select "Register." New user registrations for grants.gov can take up to two weeks to complete. For additional questions on how to register, contact grants.gov support at 800-518-4726 or e-mail support@grants.gov.

2. **FedConnect**. Applicants are encouraged to register for an account with FedConnect at https://www.fedconnect.net before applying. Your organization's Marketing Partner ID Number (MPIN), which can be retrieved from SAM, is required to create an account. For instructions on how to register in FedConnect and how to use the portal, click the following link to review the *FedConnect: Ready, Set, Go! Tutorial*. For other technical issues or questions, either e-mail fcsupport@unisonglobal.com or call 1-800-899-6665 option 2. The FedConnect Support Center is staffed Monday–Friday, 8:00 a.m.–8:00 p.m. EST, except Federal holidays

If an applicant has technical difficulties submitting the application through grants.gov, that applicant should contact grants.gov at 800-518-4726 or e-mail support@grants.gov, as well as contact PHMSA's HAZMAT Grants Program Office at 202-366-1109 or e-mail HMSI@dot.gov.

E.2 Unique Entity Identifier (UEI) and System for Award Management (SAM)

PHMSA may not make an award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements. If an applicant has not fully complied with the requirements by the time PHMSA is ready to make an award, PHMSA may determine that the applicant is not qualified to receive an award and use that determination as a basis for making an award to another applicant. PHMSA recommends that applicants review the SAM database at www.sam.gov to ensure their UEI is updated and "active."

Each applicant is required to:

- Register in SAM (SAM.gov) before submitting their application.
- Provide a valid UEI in their application.
- Maintain an active SAM registration and UEI with current information when they have an active Federal award or an application under consideration.

SECTION F - APPLICATION REVIEW INFORMATION

F.1 Criteria

When identifying projects applicants should consider how the project will increase safety. PHMSA will evaluate applications through administrative, technical, and programmatic reviews based on the evaluation criteria.

Merit Criteria:

PHMSA developed merit criteria to rate and to select competing applications. Within the application. Applications should demonstrate the extent to which the activities will impact the safe transport of hazardous materials. Submission of an application is not a guarantee of award. PHMSA may, at its discretion, award a grant based on an application in its entirety, award only portions of a grant based on its application, or not award a grant at all.

1. Technical Criteria

- Do the application's proposed activities align with the intent of HMSI, including State authority and ability to conduct shipper inspections in accordance with the HMR?
- Does the applicant provide a statement of need that describes areas of deficiency as it concerns inspecting HAZMAT shippers?
- Are the activities listed allowable under HMSI?

2. Programmatic Criteria

- Does the applicant provide information on the organization?
- Does the applicant provide the number and description of each activity proposed?
- For each planned course, PHMSA will evaluate the type of inspection support, the number of planned inspections, and, if known, the expected locations. Applicants should use the following table format:

Hazardous Materials State Inspection : Planned Outputs		
Output Measure Type	**What to Report**	**Planned Target**
Inspection Support	Description of Inspection Support Requested	Count of Inspections Supported

- Are program activities allowable, allocable, necessary, and reasonable?

- Does the applicant provide a timeline that clearly communicates when project activities will take place?
- Does the application list clear outputs, goals, and objectives? Does the applicant outline a monitoring and evaluation strategy to help ensure that the project(s) will be successful?
- Did the applicant provide a completed and properly filled out SF-424 form?
- Did the applicant submit a completed Lobbying Form and Title VI/Non-discrimination form?
- Do the budget (SF-424A) and budget narrative align?
- Does the budget narrative provide detail as to how the costs under "Personnel" correspond to the staff included in the narrative and how they were calculated?
- Does the budget narrative provide an explanation or breakout of the staff fringe benefits?
- If there are funds entered under "Travel," does the budget narrative provide a clear and reasonable explanation that relates to the costs?
- Does the budget narrative identify supply costs and are the costs adequately explained?
- If there are funds under "Contractual," does the budget narrative clearly describe how contractual costs were derived for each agreement or subaward?
- If there are costs under "Other," have the costs been reasonably explained?
- If indirect costs are requested, does the application/budget narrative include an approved, current Indirect Cost Rate agreement or statement claiming the 15 percent de minimis rate?

F.2 Review and Selection Process

Please thoroughly read the Review and Selection Process.

The Department intends to apply principles from DOT Order 2100.7 (Ensuring Reliance Upon Sound Economic Analysis in DOT's Policies, Programs and Activities) and DOT Order 2100.9 (Ensuring Nondiscrimination and Equal Opportunity in Department of Transportation Policies, Programs, and Activities) when evaluating applications and making award selections. To the maximum extent permitted by law, DOT will prioritize projects that are in alignment with the principles outlined in DOT Orders 2100.7 and 2100.9.

The Department seeks to fund projects that advance the priorities of this Administration as

described in DOT's mission statement and across executive orders.

To comply with the requirements of 2 CFR Part 200, Subpart E, and DOT's Guide to Financial Assistance, PHMSA's Agreement Officer and Grant Specialist may request additional information pertaining to your application during the application review and evaluation process.

F.3 Risk Review

Prior to making an award, PHMSA is required to review and consider any information about the responsibility and qualification of the applicant that is accessible through SAM (see 41 U.S.C. § 2313). An applicant may review information in the designated integrity and performance systems accessible through SAM, and comment on any information about itself that a Federal awarding agency previously entered in this system. PHMSA will consider any comments by the applicant, in addition to any other information available in SAM, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards as part of the risk review required by 2 CFR § 200.206.

SECTION G – AWARD NOTICES

G.1 Anticipated Announcement and Federal Award Dates

Applicants chosen for funding will receive electronic notification of the Federal award. Upon notification, the applicant's Authorized Representative must sign and return the award within the timeframe prescribed by PHMSA. PHMSA plans to make awards no later than September 30, 2026, with a proposed period of performance start date noted on the award agreement.

G.2 Federal Award Notices

PHMSA's grant awarding official will award grants to responsible and eligible applicants who submit the most qualified applications under the procedures set forth in this NOFO. Funds will be administered on a reimbursement basis. All funds provided by PHMSA must be expended solely for the purpose for which the funds are awarded in accordance with the approved application and budget, regulations, terms and conditions of the award, applicable Federal cost principles, and DOT's financial assistance regulations. Funds may not be used for lobbying or litigation.

The grant award agreement, signed by both the PHMSA Agreement Officer and the recipient's Authorized Representative, is the authorizing document and will be provided through electronic means to the Authorized Representative. The award document will provide pertinent instructions and information including, at a minimum, the following:

1. The legal name and address of recipient.
2. Title of project.
3. Name(s) of key personnel chosen to direct and control approved activities.

4. Federal Award Identification Number assigned by PHMSA.
5. Period of Performance, specifying the duration of the project.
6. Total amount PHMSA approved for the project.
7. Legal authority under which the award is issued.
8. Assistance Listing Program Number (formerly CFDA).
9. Applicable award terms and conditions.
10. Approved budget plan for categorizing allocable project funds to accomplish the stated purpose of the award.
11. Other information or provisions deemed necessary by PHMSA.

SECTION H – POST-AWARD REQUIREMENTS AND ADMINISTRATION

H.1 Administrative and National Policy Requirements

The administration of this award by PHMSA and the Recipient will be based on the following Federal statutory and regulatory requirements:

1. The authorizing language of the Infrastructure Investment and Jobs Act (IIJA) (Pub. L. 117-58).
2. 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
3. 49 CFR Part 20 - New Restrictions on Lobbying. 49 CFR Part 20 will be incorporated by reference into any award under this program and is available at ecfr.gov by clicking on Title 49 CFR Part 20.
4. Civil Rights and Title VI - As a condition of a grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR Part 21) (including any amendments thereto), the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act, all other civil rights requirements, and accompanying regulations. This should include a current Title VI plan, completed Community Participation Plan, and a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards. DOT's and the applicable Operating Administrations' Office of Civil Rights may work with awarded grant recipients to ensure full compliance with Federal civil rights requirements. See "Standard Title VI/Non-Discrimination Assurances" for the form by the same name that must be completed and returned by the grant applicant.

5. 49 CFR Part 32 - Government-Wide Requirements for Drug-Free Workplace (Financial Assistance), which implements the requirements of Pub. L. 100-690, Title Subtitle D, "Drug-Free Workplace Act of 1988." 49 CFR Part 32 will be incorporated by reference into any award under this program and is available at www.ecfr.gov/ by clicking on Title 49 CFR Part 32.

6. Compliance with Federal Law and Policies - The applicant assures and certifies, with respect to any application and awarded Project under this NOFO, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds.

7. Federal Anti-Discrimination - Except where prohibited by court order, pursuant to Section 3(b)(iv)(A) of Executive Order 14173, Ending Illegal Discrimination And Restoring Merit-Based Opportunity, the Recipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.

   Except where prohibited by court order, pursuant to Section 3(b)(iv)(B) of Executive Order 14173, Ending Illegal Discrimination And Restoring Merit-Based Opportunity, by entering into this agreement, the Recipient certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

To the extent a court order bars the implementation or enforcement of one or more of the provisions with respect to a particular applicant or recipient, the Department will not implement or enforce the relevant provision(s) against that applicant or recipient for as long as the order remains in place.

H.2 Reporting Requirements

Progress Reports - Each grant recipient is required to submit a progress report to show progression of approved projects and activities. The reports must follow the instructions outlined in the terms and conditions of the grant award. Grant recipients with a period of performance that is longer than 12 months are required to submit annual progress reports. Grant recipients with a performance period of 12 months need only submit a final progress report (refer to section below). Grant recipients must follow the instructions outlined in the terms and conditions of the grant award. The report must include:

1. A summary of the activities and outputs that took place during the period of performance. This should include the total number of HAZMAT shipper inspections completed, and the equipment, supplies, and training activities purchased using grant funds. If the projected outputs listed in the approved project narrative were not met, an explanation should be provided.

2. The challenges that the award recipient faced, and the strategies taken to mitigate such challenges.

3. A completed timeline of the activities that took place during the completed period of performance.

4. As available, impact statements or analysis from State HAZMAT inspectors or other stakeholders regarding the impact current period of performance grant activities have had on ensuring HAZMAT shipper compliance and protecting people from the risks of HAZMAT transportation.

Federal Financial Reports - Each grant recipient is required to submit Federal Financial Reports (SF-425) to show a cumulative account of expenditures from approved activities.

Grant recipients with a period of performance longer than 12 months must submit annual Federal Financial Reports.

Grant recipients with a performance period of 12 months need only submit a final Federal Financial Report (refer to the section below). Grant recipients must follow the instructions outlined in the terms and conditions of the grant award.

Final Report(s) - Each recipient is required to submit a final Progress Report and final Federal Financial Report (Final SF-425). Final Federal Financial Reports and Progress Reports must be submitted by e-mail at HMSI@dot.gov.

The reports are due no later than 120 days after the performance period has ended. Final reports must follow the instructions outlined in the terms and conditions of the grant award and must include:

1. A summary of the activities and outputs that took place during the period of performance. The report must include date supporting the measurable outputs below:

Hazardous Materials State Inspection: Actual Outputs			
Output Measure Type	**What to Report**	**Planned Target**	**Supporting Documentations**
Inspection Support	Description of Inspection Support Received	Count of Inspections Supported	Records of inspections will be maintained by inspector.

If the projected outputs listed in the approved project narrative were not met, an explanation should be provided.

2. The challenges that the award recipient faced, and the strategies taken to mitigate such challenges.

3. A completed timeline of the activities that took place during the completed period of performance.

4. As available, impact statements or analysis from State HAZMAT inspectors or other stakeholders regarding the impact current period of performance grant activities have had on ensuring HAZMAT shipper compliance and protecting people from the risks of HAZMAT transportation.

All applications and reports will be made available to the public upon request.

Performance and Program Evaluation: Program Evaluation is an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency (5 U.S.C. § 311). Recipients and subrecipients are encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure their progress. Allowable data and evaluation costs are specified in 2 CFR 200.455(c).[1] As a condition of grant award, grant recipients may be required to participate in an evaluation undertaken by DOT or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. DOT may require applicants to collect data elements to aid the evaluation and/or use information available through other reporting. Grant recipients must agree to: (1) make records available to the evaluation contractor or DOT agency staff; (2) facilitate and provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT agency staff.

[1] https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.455.