

OMB Comment Letter Guide

Submission Deadline: July 13, 2026

View this template as a guide more than a fill-in-the-blank template. Your comment letter should be personalized and include specific information and local examples from your community. Your comment submission should convey an introduction of your community and impact of proposed changes.

For more information on what to include and how to format your letter, see NLC's blog outlining how to submit comment letters.

Honorable Russel T. Vought
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

Re: OMB-2026-0034, Office of Management and Budget (OMB) Regulation for Federal Financial Assistance.

Dear Director Vought,

Thank you for the opportunity to provide comments on the proposal to revise the OMB Guidance for Federal Financial Assistance located in title 2 of the Code of Federal Regulations (CFR), subtitle A.

Introduce your community

- Community name, state and population size
- How familiar is your community with federal grants (have you received them before, do you have any active grants, are you waiting for any pending awards?)
- Why does your community apply for federal grants?
- What does federal funding do for your community (NOTE: this includes block funding such as the Community Development Block Grant (CDBG))
- Do you rely on pass-through funding from your state? If so, how does federal funding reach your community and what programs does it support?

How will the proposed changes impact your community?

- Are there aspects of the proposed changes that your community supports?
 - Example of streamlining provisions:
 - Reinforcing the requirement that Notices of Funding Opportunities (NOFOs) should be written in "plain language."
 - Requiring that applicants apply for federal grants using Grants.gov unless a program-specific exception is expressly authorized.

- Encouraging agencies to use Statements of Interest (SOIs) as part of the application process when high application volume or lengthy proposals are expected.
 - Requiring executive summaries (generally limited to 500 words) in NOFOs, with limited exceptions.
 - Requiring NOFOs to be posted for at least 30 days.
 - Encouraging agencies to strive to ensure that NOFOs are accessible to a broad range of applicants, including those that have not previously received federal awards.
- Are there aspects of the proposed changes that would harm your community? When thinking through how proposed changes could impact your community, think through:
 - If provisions would require additional staff or add reporting requirements and administrative burden.
 - If it would impact how your community views federal funding and the cost-benefit analysis of applying for federal grants.
 - If it would impact how your community budgets for projects or which projects your community prioritizes in the federal funding space.
 - Providing specific examples on how a proposed change will specifically impact your community will be the most impactful.
 - Examples of proposed harms:
 - **Increased Administrative Burden on Communities**
 - Requiring all payment requests from municipalities to include written justifications describing the purpose of each payment and the specific award-related work it supports.
 - Granting agencies the authority to add or remove specific conditions throughout the period of performance based on “risk factors” or “other factors” associated with a recipient or program.
 - Requiring all recipients and subrecipients of federal financial assistance to participate in the Department of Homeland Security’s E-verify program for work associated with federal grants.
 - Extending Buy America-style provisions beyond infrastructure to all federal awards.
 - Requiring states to run pre-payment checks through Treasury’s Do Not Pay (DNP) system before disbursing pass-through funds, which may delay access to funds for both local governments and residents.
 - Discouraging cost-reimbursement contracts between grant recipients and their vendors or contractors (e.g. engineering firm, contractor).
 - **Make Federal Funding More Uncertain and Unwieldy**

- Allowing agencies to terminate a grant award during the period of performance if it is determined that the award no longer aligns with program goals or Executive Branch policies in effect at the time of termination.
- Preventing individual agencies from exercising discretion in grant compliance, or making reasonable accommodation for conditions not anticipated by statute
- Requiring pass-through entities to ensure their subrecipients do not take actions that could significantly damage the reputation of the pass-through entity, the federal agency making the award, or the federal government.
- If a subrecipient’s public statements are deemed “reputationally harmful,” the federal agency may direct the pass-through to terminate the subaward, or terminate the prime award to the pass-through entity entirely. This could impact how states disburse funds on a local level, and could significantly increase the regulatory burden of municipalities as pass-through funders.
- Eliminating fixed amount awards and subawards.
- **Risk of Politicizing Federal Grantmaking**
 - Allowing agencies to consider an applicant’s “history of questionable practices” when deciding their eligibility for a grant.
 - Permitting agencies to cooperate with private individuals or organizations in pursuing their own private cause of action or remedies for grant noncompliance.
 - Expecting recipients to adapt to Executive Orders, even when those directives are not codified in law and may change over the course of a grant’s period of performance.
 - Introducing “pre-issuance review,” which means that, as part of the broader merit review process, political appointees at each agency — rather than career experts — will ensure that proposals selected for funding are consistent with applicable law, federal agency priorities and the national interest.
 - Requiring municipalities that receive federal funding (including as subrecipient) not discriminate on the basis of the viewpoint, content or subject matter of speech — including on the basis of political, ideological or religious affiliation or perspective — in providing services for events, meetings or other expressive activities, regardless of whether those activities are federally funded.
- Do you have questions about how some of the proposed changes will be implemented in reality?

- Will the changes be made to already signed grant contracts or just to grant contracts moving forward?
- What are the “risk factors” or “other factors” that a grant agency could point to when adding additional terms and conditions to existing grant awards?
- What types of additional terms and conditions could be added to existing grant awards?
- Will the federal government be providing technical assistance for communities that must learn how to use the E-verify program? Will there be real human beings available to talk to communities having trouble accessing the program? If so, will that technical assistance be available in perpetuity?
- Will there be a waiver process available for the Buy America-style provisions? What happens if the United States doesn’t have the domestic production capacity for certain products?
- For federal funding that communities receive from states as a pass through, will the Do Not Pay (DNP) system delay funding from the state to communities? If a community is determined to be ineligible for funding, is there a reconsideration process?
- How will grant terminations work?
 - Will agencies provide at least a 30 day notice to communities?
 - Will communities be reimbursed for all funding the community has spent up to the end of the 30 day notice?
 - How will the federal government aid communities that have half-done projects, and no additional funding to finish them?
 - Will the federal government provide contract templates for communities to use with business contractors, allowing communities to cancel their contract at any point during the project should their federal award be terminated?
 - Will communities have a process to request reconsideration of the termination?
 - Will communities be told why their grant was terminated?
- Will the requirement that political appointees approve each grant award slow down the grant process? If so, what is OMB’s estimate on the slowdown?
- Will OMB provide detailed descriptions or definitions on what “history of questionable practices” and “reputational harm” mean?
- Will OMB provide guidance on how communities can ensure that subrecipients do not cause “reputational harm” to the community, federal agency making the award, or the federal government?
- Will OMB provide detailed guidance on how federal agencies and private individuals and organizations will work together to pursue their own private cause of action or remedies for grant noncompliance. Can OMB provide guardrails to ensure that this will not add to incivility on the local government level?

- Can OMB provide guidance on how the federal government expects local governments to ensure that there is no discrimination on the basis of viewpoint, content or subject matter of speech for any events on public property, including parks?
- Could your community realistically implement these changes by October 1, 2026? What resources or additional time would you need?"

Conclusion

The **City/Town/Village of [NAME]** supports efforts to simplify federal grant processes but urges OMB to reconsider provisions that would increase administrative burdens, introduce uncertainty, and expand federal control over local decision-making.

Thank you for considering this input.

Sincerely,

NAME

TITLE

COMMUNITY