NATIONAL ASSOCIATION OF COUNTY HUMAN SERVICES ADMINISTRATORS

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

Re: Comments on Proposed Rule – Regulation for Federal Financial Assistance; 2 CFR Part 200 (Docket OMB-2026-0034)

Dear Director Vought:

The National Association of County Human Services Administrators (NACHSA), a professional affiliate of the National Association of Counties (NACo) representing the administrators of essential federal, state and local human services programs, respectfully submit these comments in response to the Office of Management and Budget's (OMB) proposed rule rewriting 2 CFR Part 200 – commonly known as the Uniform Guidance – published in the Federal Register on May 29, 2026 (Docket OMB-2026-0034).

NACHSA members provide services that help vulnerable individuals and families thrive, functioning as an integral part of the federal, state and local partnership in human service delivery. Whether keeping families sheltered when they face homelessness, providing nutrition support to infants and toddlers, operating job training programs, or protecting children from abuse and neglect, county human services agencies deliver supports that break cycles of poverty and help our residents thrive. The role of counties varies widely from state to state, but every year, counties invest $62.8 billion in federal, state and local resources and employ 259,000 human services workers to provide safety net services for millions of residents.[1]

While the proposed revisions to the Uniform Guidance have the most significant implications for discretionary grant programs, NACHSA members are concerned that the rule, if implemented, would also upend the long-standing structure of mandatory and formula funded human services programs, including block grants, risking the timely, efficient and statutorily required delivery of key services for low-income children, families, and individuals.

§ 200.300(b) Statutory and National Policy Requirements

The proposed rule establishes new, government-wide prohibitions on using federal award funds to fund, promote, encourage, subsidize or facilitate certain DEI/DEIA policies, "gender ideology," and related activities. Several operative terms in this provision, including "intentional proxies for race" and "gender ideology," are not defined with sufficient specificity for a county to determine in advance whether a given program activity is affected. This is particularly concerning given that county human services

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[1] National Association of Counties, *The County Human Services and Education Landscape,* March 2026. https://www.naco.org/resources/county-human-services-and-education-landscape

agencies administer federally funded programs under a wide range of state and local legal frameworks. For example, in Minnesota, county child welfare agencies—which are tasked with administering Title IV-E Foster Care and Adoption Assistance funding—must adhere to the Minnesota Indian Family Preservation Act (MIFPA), which provides state standards to protect the long-term best interests of Indian children, their families, and the child's tribe. In Colorado, county child welfare agencies must adhere to a state law requiring the use of good-faith efforts and due diligence to recruit and retain prospective foster and adoptive families from communities that reflect the racial, ethnic and cultural backgrounds of the children in the agency's care.

Virtually every federal human services program administered by county agencies use income and asset-based eligibility criteria that are not themselves race or sex-based but may nonetheless result in disproportionate representation of women and minorities. The rule does not clarify whether such income-based criteria could be read as implicated by this provision. Given the essential, life-saving support at stake via means-tested programs such as the Temporary Assistance for Needy Families (TANF) block grant, the Supplemental Nutrition Assistance Program (SNAP), the Social Services Block Grant (SSBG), the Low Income Home Energy Assistance Program (LIHEAP) and others, it is critical that OMB withdraw this provision to minimize financial and legal exposure for state and county governments performing their statutorily defined roles in program delivery.

Expanded Pass-Through Responsibilities and Liability (§ 200.305; §§ 200.329–200.332)

County human services agencies often deliver federal safety net programs through a broad network of local partners best suited to meet the unique needs of the community. Whether funded by the flexible TANF block grant, SSBG, the Older Americans Act (OAA), Title IV-B, the Community Services Block Grant, Head Start, Title IV-E (including prevention services), or other federal funding streams, counties rely on these partners on the ground to provide employment and training services, case management, child care, in home supportive services, senior nutrition programs, parenting coaching, home visiting, housing navigation, rental support, emergency shelter, foster care licensing and placement, violence prevention programs, substance abuse treatment, crisis pregnancy services, and more.

The rule's proposed expansion of pass-through responsibilities—including heightened monitoring, reporting obligations, and responsibility for implementing vague standards such as reputational harm—would create substantial operational and legal challenges for county human services agencies as well as our community partners. Such challenges include the need to invest in new compliance systems and staffing, the potential for liability to extend beyond a county's control, exposing counties to risk for independent third-party actions, and exclusion of smaller providers – often essential in rural or underserved communities – due to compliance complexity.

For instance, the condition requiring pass-through entities—upon pain of termination—to ensure that subrecipients "not take actions that could significantly damage the reputation of the passthrough entity, the Federal agency making the award, or the Federal Government" would appear to require county human services agencies to guess, without guidance, what kind of conduct federal agency officials might disfavor. Additionally, the requirement that counties use Treasury's Do Not Pay (DNP) system before making federal payments to subrecipients could create delays, false matches, denials, or extra burdens for recipients and beneficiaries—yet OMB does not provide clear guidance on the process for disputing an incorrect DNP match.

These provisions create untenable conditions for both county agencies and grant subrecipients. Indeed, the very same non-profit partners working to deliver formula-funded services may also be at risk for losing competitive grant funding via the pre-issuance review provisions, discretionary termination and suspension authority also proposed in this rule. The proposal is thus an existential threat to the long-standing network of providers whose expertise, relationships, and infrastructure is best suited to deliver federally funded support to at-risk county residents. This would leave county human services agencies in an impossible position—mandated, often by state law, to deliver critical services to the community but left without the apparatus to do so.

Conclusion

County human services agencies share OMB's stated objectives of improving transparency, accountability and oversight of federal financial assistance. However, the proposed rule, as drafted, would undermine the stability, objectivity, and administrability necessary to deliver federal human services programs at the local level. For these reasons, we urge OMB to withdraw the regulation and ensure future efforts at reform are developed in close consultation with intergovernmental partners to safeguard the delivery of essential human services to vulnerable county residents.

Thank you for considering our feedback on this substantial proposal. Please do not hesitate to reach out to NACHSA's federal representative, Rachel Mackey, with any questions: rm@paragonlobbying.com

Sincerely,

Debbie-Ann Anderson
NACHSA President
Director, Human Services, Union County, New Jersey