WESTCHESTER COUNTY

Kenneth W. Jenkins
County Executive

July 10, 2026

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,

I write to express Westchester County's firm opposition to the Office of Management and Budget's (OMB) proposed rule rewriting 2 CFR Part 200 – known as the Uniform Guidance – published in the Federal Register on May 29, 2026 (Docket OMB-2026-0034).

Westchester administers roughly $220 million in federal grant funds; These funds are delivered directly to residents and, in many cases, passed through to local subrecipients and community organizations.

These grants keep families from being evicted; they help fight the scourge of drug addiction; they fund our cybersecurity initiatives, protect victims of domestic violence, and make sure that the neediest in our County can eat and stay warm enough to survive in the harsh cold of winter. These grants fund our Department of Public Safety's tactical team, their bomb squad, their HAZMAT team; they fund both training and direct response to emergencies, including complicated confined space rescues, flood rescues, and structural collapse response.

Westchester is legally required to provide much of this service; this proposed rule would increase the costs incurred by Westchester County in securing and administering these grants – as such, Westchester's taxpayers would have to shoulder an even greater burden with no guarantee on their investments.

Federal grant funds are also used to make much needed investments in our County and municipal infrastructure. Federal funds ensure our roads and bridges are safe; federal funds are used to make investments in affordable housing developments; federal funds are used for investments in water and wastewater treatment plants, to keep our County clean and healthy. Westchester County serves as a municipal pass through for federal funds for projects for senior centers; downtown beautification initiatives and safer routes to schools.

The proposed rule would dramatically change every aspect of how we apply for, administer, receive and account for these funds. Rather than being determined by impartial peer review or by the studied determinations of career professionals, grant awards would be determined based on the unbridled discretion of ideologically driven political appointees. These appointees would be forbidden from deferring to peer review, and could override findings they dislike with no cause.

§ 200.339; § 200.340; § 200.341 – Federal Termination Authority

The proposed rule would grant federal agencies broad, discretionary authority to terminate grant awards if the program is no longer in the 'national interest', or if 'content-based prohibitions' are violated.

As an immediate practical concern, no enforcement standard for these content prohibitions has been provided, no appeal process is defined, and no process or expectations on how to manage costs incurred during a period of suspension is laid out. As such, Westchester County has no way of determining what usage would result in termination, no understanding of how to appeal in the case of a mistaken suspension or termination, and could incur tremendous expense during a period of suspension. No mechanism for recourse is delineated within the proposed changes.

County budgets are adopted months before the fiscal year begins – meaning that we must project our revenue and commitments based on *anticipated* federal funding. With no guide to develop reliable policy and no concrete expectations, all federal funding now poses untenable fiscal risk.

Beyond this, the proposed rule significantly weakens the County on a purely organizational basis. For generations, the United States has drawn strength from the ability of its states and local governments to serve as laboratories of democracy; to try novel social and economic policies that best suit the needs of their residents. This proposed rule would suture all local policy to Washington. Westchester County would have to implement federal dollars not in service of our residents, but in service of appointees – who have not lived in our communities, and who will not consult our residents before developing determinations. It is likely that our taxpayers would seek policy opposed by the OMB's ascribed overseers; would OMB expect Westchester County to resist the direction of our taxpayers?

We urge OMB to:

- Limit termination authority to existing bases in law and the current Uniform Guidance.
- Establish clear, published criteria and a notice-and-cure process before any termination.
- Ensure adequate wind-down periods that allow counties to responsibly transition affected programs and protect service recipients.

§ 200.205; § 200.206; § 200.207(c) – Senior Appointee Review, Risk Evaluation, Grant Administration

The proposed rule would require pre-award review of grant applications by senior agency officials and expanded risk evaluations of applicants prior to award. While appropriate risk management is an important goal, we are concerned that these requirements will significantly increase administrative burden, extend award timelines and deter counties from applying for federal assistance.

Westchester invests considerable resources in grant preparation and administration – we ensure that all of our programs subject to the OMB Compliance Supplement meet federal compliance standards through annual audits done using impartial, external vendors subject to ethical requirements. We thoroughly audited the expenditure of our American Rescue Plan Act (ARPA) funding, our Supplemental Nutritional Assistance Program (SNAP) funding, our Continuum of Care (CoC) funding, and more. No deficiencies in internal control have been identified by our auditors.

Westchester has been a diligent and fastidious steward of federal funding. This proposed rule change would require further evaluation of programs that have been thoroughly vetted before providing the County with crucial funding – delaying support that our residents rely on.

We urge OMB to:

- Define clear, objective and publicly available risk criteria so counties can anticipate and prepare for pre-award review
- Establish firm timelines for pre-award review to prevent indefinite delays in award execution
- Provide safe harbors for counties with strong audit histories and established compliance track records
- Ensure pre-award review processes do not duplicate Single Audit findings or other existing accountability mechanisms

§ 200.219 – Event Services Requirements

The proposed rule would impose new viewpoint-neutrality requirements for event services on property under a public entity's control, regardless of whether any federal funds support the event itself. Counties would also bear responsibility for ensuring subrecipient compliance with these requirements.

Westchester County has serious concerns about both the scope and workability of this provision.

These changes would require that Westchester regulate the speech and expression of anyone receiving federal funds, or anyone using the County's public facilities. Grant recipients would also be required to "demonstrably advance the President's policy priorities," rather than focus on providing services. If any action by a recipient of federal funds – or by some action of an individual utilizing the County's public facilities – could be construed as 'damaging the reputation' of the County, the awarding federal agency, or the federal government, our grant funding could face termination.

Westchester cannot constitutionally tell its residents what they can and cannot say, and certainly cannot prevent its residents from criticizing the County's government, let alone the federal government. Such criticism is necessary to a healthy democracy, and restricting this speech flagrantly violates the First Amendment.

Westchester manages public facilities that host hundreds of events annually. Applying federal grant conditions to all activities on county-owned property – irrespective of federal funding –

would require counties to monitor, regulate and potentially restrict constitutionally protected activities on public property, creating significant legal and administrative exposure

We urge OMB to:

- Remove any event-services requirements.
- Remove pass-through entity liability for subrecipient event activities on non-federally-funded county property
- Provide clear safe-harbor guidance that counties can implement without legal risk

§§ 200.305(c); 200.329(b); 200.329(h); 200.331(c); 200.332(g)-(l); 200.333
Pass-Through Entity Responsibilities

Westchester serves as a pass-through entity for a portion of the federal grants it administers. The proposed rule would expand pass-through entity oversight obligations in several areas, including subaward reporting to SAM.gov, subrecipient monitoring and compliance with new policy conditions. The proposed requirement that pass-through entities ensure subrecipients do not take actions that "could significantly damage the reputation" of the pass-through entity, the awarding agency, or the Federal Government is unworkable as written and poses unacceptable legal and financial risk to county governments.

The consequence of a federal agency's determination that reputational harm has occurred is termination of the county's entire federal award, regardless of the county's own compliance record. This provision would effectively require counties to surveil the public conduct of every subrecipient organization on an ongoing basis as a condition of receiving federal funds — a standard no county has the capacity to meet and one that creates significant due process concerns.

These expanded obligations – stacked on existing pass-through requirements – will require additional staff capacity and system investment. Westchester County already faces millions of dollars in federal cuts, declining revenue from a cooling economy, and increased operational costs due to rising costs of baseline goods, like gasoline. As such, unless OMB expects the County to pass on these administrative costs to our residents, Westchester cannot absorb these requirements without cutting the services our residents rely on or applying for fewer federal grants.

We urge OMB to:

- Provide implementation guidance and technical assistance before new pass-through requirements take effect
- Allow adequate transition time – at least 12 months from the final rule's effective date – for counties to update subaward agreements, monitoring procedures and reporting systems
- Clarify that pass-through entity liability does not extend to subrecipient activities beyond the scope of the federal award

- Define or remove "significantly damage the reputation" with objective, measurable criteria and limit any consequences to the specific subaward at issue rather than the county's entire federal award

§ 200.110 – Binding Regulation

The proposed rule would reclassify 2 CFR Subtitle A from OMB guidance to binding federal regulation, meaning future amendments would take effect government-wide without separate notice-and-comment rulemaking by individual agencies. This represents a significant structural change to how federal grant policy is made.

We urge OMB to preserve notice-and-comment requirements for any future substantive amendments to the Uniform Guidance, consistent with the Administrative Procedure Act. The intergovernmental partnership depends on county governments having a meaningful opportunity to respond to regulatory changes that directly affect our operations and budgets.

§ 200.300(b); § 200.403 – Policy Conditions and Cost Disallowance

The proposed rule would establish sweeping new government-wide prohibitions on how federal award funds may be used without defining the key terms that determine whether a recipient is in compliance. Counties cannot reliably determine in advance whether a given program activity meets or violates the new standard – making good-faith compliance planning impossible and exposing counties to significant legal and fiscal risk.

Under the proposed rule, the prohibition's critical terms are undefined. Counties administering health, workforce, housing and human services programs need clear, objective definitions before we can assess program-by-program compliance, update subrecipient agreements or train staff. Without defined terms, counties face a difficult compliance standard – and face it immediately upon the rule's effective date.

Compounding this concern, § 200.403 converts any violation of § 200.300(b) into an unallowable cost, meaning counties may be required to repay federal funds already spent on programs that were operating in good faith. This transforms what might otherwise be a forward-looking compliance adjustment into a retroactive financial liability with no clear ceiling.

We urge OMB to:

- Provide clear, objective definitions of all operative terms in § 200.300(b) before these prohibitions take effect, sufficient for counties to assess compliance program by program
- Establish an explicit safe harbor for recipients acting in good faith under state law, existing court orders or consent decrees at the time of expenditure
- Clarify that § 200.403 cost disallowance applies only to expenditures made after a specific, individualized finding of noncompliance — not retroactively to prior good-faith spending

- Confirm that pass-through entity liability does not extend to subrecipient activities beyond the direct scope of the federally funded award

In Conclusion

This proposed rule creates sweeping new prohibitions on how federal funds may be used, but does not define the terms which determine whether or not a recipient is in compliance. The proposed rule provides no opportunity to appeal or cure a political appointee's determination that conflicts with the needs of Westchester's residents.

In short, the proposed rule would impede the capacity of Westchester County to deliver the services its residents desire, without dramatically raising costs on its residents. The rule would ask Westchester County to regulate the speech of its residents. The rule would have Westchester County scrambling to comport to undefined terminology, subject purely to the unbridled discretion of Washington appointees – with no appeal process, no oversight by impartial observers, and no role for Westchester's residents to play.

Westchester is committed to the responsible stewardship of federal funds and to the success of the intergovernmental partnership that makes federal programs effective at the local level. As such, we strongly oppose the proposed rule change.

Westchester appreciates OMB's attention to stakeholder input; we urge the agency to:

- Extend the comment period by at least 45 days.
- Limit termination authority and establish clear, explicit procedures with an appeal process.
- Remove event-services requirements.
- Provide adequate transition time and technical assistance for new requirements.
- Preserve notice-and-comment rulemaking for future substantive changes.

Westchester County will readily provide additional information or meet with OMB staff to discuss our comments in further detail; please contact Steve Bass, our Director of Intergovernmental Relations at sbass@westchestercountyny.gov or 914-995-2914 with any questions.

Sincerely,

Kenneth W. Jenkins
Westchester County Executive

CC:

WESTCHESTER COUNTY

Kenneth W. Jenkins
County Executive

Charles E. Schumer, Senator
Kirsten E. Gillibrand, Senator
Michael V. Lawler, Congressman NYCD-17
George S. Latimer, Congressman NYCD-16