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C E F

COMMITTEE FOR
EDUCATION FUNDING

July 13, 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, Docket No. OMB-2026-0034

Dear Director Vought,

The Committee for Education Funding (CEF), a coalition of more than 110 education organizations and institutions representing the entire continuum of education—from early childhood, K-12 public schools, and afterschool programs to higher education and research institutions— appreciates the opportunity to submit comments on the Office of Management and Budget's (OMB) proposed rule on Regulation for Federal Financial Assistance.

As the nation's largest and oldest education coalition, our member organizations represent the millions of students, teachers, researchers, administrators, and parents who rely directly on federal financial assistance to support educational progress, academic excellence, scientific achievement, and economic success. As such, we deeply appreciate the power of the federal investment in education and the importance of the wider federal grantmaking process. Given this unique perspective, we write to express our deep concerns and reservations with this proposed rule and respectfully ask for its immediate withdrawal. While we support OMB's stated goals to "improve transparency, accountability, and oversight for use of Federal taxpayer dollars," as well as "reduce recipient burden," this rule, as currently written, will not accomplish these objectives.

Specifically, this proposed rule will create undue uncertainty and increased burden for grantees. For example, proposed Section 200.340 would expand a federal agency's ability to terminate an award, including if the award does not "effectuate program goals, Federal agency priorities, or the national interest." This section would also create a new capacity for suspension, allowing the federal agency to suspend an award for up to 90 days. Based on the text of the proposal, it remains unclear if that suspension can only occur one time per grant performance period or if it could occur multiple times over the award.

These terminations and suspensions create overwhelming uncertainty and disruption for grantees in the education community. OMB appears to recognize these risks elsewhere in the proposal, including by exempting formula programs and State grantees from certain aspects of the proposed rule. Yet, this approach is applied inconsistently throughout the text of the proposed rule, creating internal contradictions throughout the proposal that will compound the uncertainty and burden this effort is intended to address.

Since January 2025, federal grantees in the education community have endured grant terminations, withholdings, and suspensions, creating an uncertain future and landscape for federal education funding. Our community was further confronted with that uncertainty on June 30, 2025, when, without warning, the Administration announced it was withholding roughly $7 billion in K-12 funding. This improper withholding created disruption, spread confusion, and disrupted services to states, local communities, families, and students in areas throughout the country. While Members of Congress from both sides of the aisle voiced their concerns and the Administration ultimately reversed course on this decision, needless damage was done to the American education system. As written, this rule has the potential to exacerbate this damage.

Moreover, the proposed rule is likely to politicize and cloud the federal grantmaking process by instituting a pre-issuance review requirement for discretionary grants and cooperative agreements (see Section 200.205). This requirement would subject grant decisions to the "independent judgment" of senior political appointees, which could be used as an ideological review of proposals rather than an objective review process based on merit alone. Moreover, as such judgments could change, so too could the goal post for deciding who receives federal funding. This is not an efficient use of taxpayer dollars.

Further, this provision could create inequities, challenges, and further compound uncertainty for grant applicants attempting to navigate an already arduous federal grantmaking process, especially for under-resourced or underrepresented applicants, including small and rural areas. While, under the proposed rule, political appointees may justify the denial of an award based on the President's policy priorities, it is not clear if the reasons for the denial or which of the Administration's priorities the political appointee relied on would ever be disclosed. As such, this aspect of the rulemaking is unlikely to achieve the agency's goal of transparency and will contribute to a lack of accountability in the federal grantmaking process as the basis for denials would not be readily apparent under the proposed rule.

While the examples used in this comment do not comprise an exhaustive list of our concerns with this rule, they highlight that there are serious deficiencies in this regulatory undertaking. Coupled with concerns surrounding an aggressive implementation timeline of October 1, 2026, we caution that further pursuit of this proposed rule could produce a rushed and flawed result. Instead, we invite OMB to work with the education community and other relevant stakeholders to construct a federal grantmaking architecture that does not draw on the mistakes of the past, especially where it concerns education.

At a time when we should be standing together to build up the American education system and ensure continued progress and opportunity for our nation, this proposed rule would undermine that system. As such, we urge the Administration reverse course on this proposed rule and withdraw the proposal from consideration.

Sincerely,

Steve Voytek
Acting President

Jared Bass
Executive Director