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July 10, 2026

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

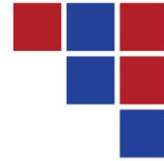
Re: Comments on Proposed Rule – Regulation for Federal Financial Assistance; 2 CFR Part 200 (Docket OMB-2026-0034)

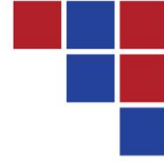
Dear Director Vought:

Summit County, Ohio, respectfully submits the following comments regarding the Office of Management and Budget's (OMB) proposed revisions to 2 CFR Part 200, the Uniform Guidance, published in the Federal Register on May 29, 2026 (Docket OMB-2026-0034). As these proposed changes represent the most comprehensive update to federal grant administration in more than a decade, it is essential that OMB carefully consider feedback from the state and local governments responsible for implementing these requirements.

Each year, Summit County administers approximately \$91 million in federal funding across more than 40 grant programs. These resources support essential public services, including public safety, law enforcement, criminal justice, transportation, public health, housing, and human services. The County is responsible for delivering many of these programs directly to residents. It also oversees funds distributed to local governments, nonprofit organizations, and other subrecipients. As proposed, the revisions would significantly affect nearly every stage of the federal grant lifecycle, from application and award management to compliance, reporting, and financial oversight.

Summit County recognizes and supports OMB's commitment to strengthening transparency, accountability, and stewardship of federal financial assistance. These principles are already reflected in the County's strong system of internal controls, established policies and procedures, and consistent record of successful audits. We offer these comments to help ensure the final rule is both accountable and practical. We ask that OMB recognize the operational realities counties face and consider our ability to efficiently administer federal funds and deliver critical services to the residents who depend on them.





Expanded Federal Termination Authority [200.340], [200.341], [200.342], [200.343]

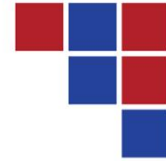
The proposed rules include language outlining expanded discretionary authority for federal agencies, allowing for the termination of federal grant awards. While we understand the federal emphasis on policy and platform alignment, these provisions create unnecessary and severe financial instability and uncertainty.

Summit County carefully adopts a budget well before the start of the fiscal year. Rigorous revenue projections, cost calculations, and service commitments are planned based on anticipated federal funding. Proposed §200.340(a)(2) would permit termination whenever an agency determines that termination “is in the interest of the Federal agency,” including when an award “does not effectuate program goals, Federal agency priorities, or the national interest as they exist at the time of the termination.” Discretionary termination, available at any point and measured against subjective standards that shift with each change in federal priorities, creates critical levels of financial risk and operational uncertainty.

While proposed §§200.341 and 200.342 establish notice, objection, and appeal procedures, they do not guarantee a meaningful cure period or an orderly wind-down before funds cease. Proposed §200.343(b)(2) compounds that risk: whether any costs incurred after a n will be reimbursed is left “to the reasonable discretion of the Federal agency.” This risk is not abstract for Summit County. The Summit County Common Pleas Court receives approximately \$1 million annually in direct federal grant dollars, exclusive of local cash match, supporting specialized dockets and related grant-funded programs that serve residents moving through the criminal justice system. This includes the Court’s VALOR program, a specialized docket for veterans, the Turning Point program, a substance use rehabilitation program, HOPE Court, a specialized mental health docket, and the SCORR program, focused on recidivism reduction. Those federal dollars fund six staff members who support participants in these dockets, as well as supportive services for participants, including housing and utility assistance, case management services, resources to meet basic needs, transportation, and access to therapeutic services and peer support. A mid-year discretionary termination would force immediate service reductions, affecting programs designed to improve community safety and stability. With no available alternative funding source, any service reduction would severely damage our ability to keep our communities safe.

Finally, the proposed rule may have significant impact on the county’s ability to secure low borrowing costs for critical infrastructure projects. Counties often issue municipal bonds in reliance on the stability of multi-year federal grant commitments to finance roads, bridges, water and sewer systems, and other infrastructure. In fact, federal transportation grants require a local match, and local governments routinely access additional financing through municipal bonds to provide it. Weakening that reliability introduces real credit risk.





Moody's Ratings has already called the proposed changes "credit negative for entities with high dependence on competitive federal funding"¹ because they undermine the reliability of multi-year funding commitments. Higher perceived risk can mean higher borrowing costs, a burden ultimately passed on to local taxpayers.

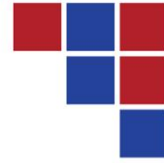
Summit County shares Moody's concern. The County secured over \$9 million in congressionally directed spending to support the design of the High-Level Bridge replacement that connects two of our largest cities, Akron and Cuyahoga Falls. The bridge is the largest and most expensive piece of infrastructure that the County owns. While the design is fully funded between federal and local dollars, the construction phase is estimated to cost up to \$80 million, which likely cannot proceed without a future federal award. The County will therefore return to the federal government for a construction commitment that, if issued after the proposed rule's effective date, would be subject to the expanded discretionary termination and suspension authority under §200.340. The result is a project in which substantial federal and local design dollars have already been sunk, but the construction commitment on which the entire investment depends could be terminated or suspended midstream without any finding of noncompliance or fraud, requiring only a brief summary of the agency's reasons for concluding that termination serves its interest.

In Summit County alone, there are over \$800 million in outstanding bond obligations from our taxing authorities, the vast majority of which are tied to infrastructure and capital projects. Many of these projects include federal funding. Injecting such a degree of uncertainty into already-awarded commitments chills the municipal bond market, raises borrowing costs, and complicates the County's ability to secure the statutorily required non-federal matches. The result is that federal dollars appropriated by Congress become less usable, not more accountable, which defeats the transparency and stewardship objectives OMB states the rule is meant to advance.

We urge the OMB to:

- Place a limit on the broad expansion of discretionary authority, with existing basis in law and previous Uniform Guidance principles
- Establish clear, defined, and published criteria, with a notice-and-cure process before any termination
- Establish and ensure proper "wind-down" periods to allow counties facing termination to responsibly transition affected programs and protect service recipients
- Clearly define the operative terms of §200.340(a)(2), including "Federal agency priorities" and "the national interest," to allow counties to adapt to the ever-changing platforms and policies at the national level
- Change the procedures outlined in §§200.341 and 200.342 to include a defined notice-and-cure opportunity and transition period





Pre-Award Review and Risk Evaluation Process and Requirements [200.205], [200.206]

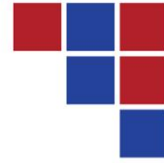
The proposed rules expand the requirements for the pre-award review and risk evaluation process. The review and evaluation, now overseen by senior appointees designated by agency heads, will fundamentally restructure competitive application, introducing factors unrelated to program performance or necessity. Appropriate risk management is a fundamental facet of responsible government, but as a county, we are greatly concerned that these requirements will dramatically increase administrative burden, extend project timelines, and create ambiguity in the application process.

Proposed §200.205(b)(1) directs that discretionary awards must, where applicable, “demonstrably advance the President’s policy priorities.” Adding subjective factors to the review and risk evaluation would reshape the objective, competitive distribution of federal funds. Summit County and our community partners invest significant resources in preparing grant applications and maintaining robust administrative infrastructure, working with dedicated budget officers and grant administration staff to deliver efficient, well-supported proposals. The existing merit-review process is already rigorous and intensely competitive. When the Economic Development Administration awarded the region’s Sustainable Polymers Tech Hub approximately \$51 million in 2024, an effort to which the County has committed \$750,000 in matching funds, it did so only after a two-phase national competition. The field was narrowed to 31 designated hubs and, ultimately, 12 implementation awards based on demonstrated regional capacity and project merit. This example demonstrates that the level of scrutiny applied to federal grantmaking already ensures federal dollars flow only to the most capable, well-vetted applicants, the very objective of a merit review. Layering additional reviews, weighing factors unrelated to program performance, would add delay and uncertainty to a process that already identifies the strongest proposals. Additional pre-award layers should not duplicate existing accountability mechanisms or create new barriers to well-qualified applicants. We are greatly concerned that this new process will increase administrative burden and create barriers for applicants without properly addressing any risk-management concerns.

We urge OMB to:

- Clearly define objective and publicly available risk criteria, to allow counties to anticipate and prepare for pre-award review
- Plan and establish strict timelines for pre-award reviews to prevent delays in award administration and execution
- Incentivize counties with strong audit histories and compliance track records, not counties that simply conform
- Ensure pre-award processes do not duplicate existing accountability mechanisms, to prevent increases in administrative workload for small counties





Specific Conditions and Remedies for Noncompliance [200.208], [200.339]

The proposed rules expand the power of federal agencies to modify the conditions of a federal award after it has been accepted, or if the agency determines the terms of the award are not being satisfied. The rules greatly increase the discretion of federal agencies during the performance period of awards, hampering the abilities of recipients to plan long-term projects while staying compliant with shifting award terms.

These rules include language allowing federal agencies to implement specific conditions on, withhold payment from, suspend, or terminate awards in part or entirely. As a county, we acknowledge the necessity of accountability for federal dollars. However, allowing federal agencies to modify award terms during the performance period, while expecting recipients to comply with such changes, may create uncertainty for awardees. The proposed rule will increase compliance obligations, administrative burden, and complicate project administration.

This concern is concrete for Summit County. In May of 2026, the County's Department of Job and Family Services was selected as one of only five pilot sites nationwide for the HHS Administration for Community Living's Adult Protective Services Opioid Innovation Project, a \$200,000 award to strengthen how the County's Adult Protective Services division identifies and responds to substance-use concerns among vulnerable adults. The award runs a single year, from May 2026 through May 2027. For a pilot of that duration, the authority under proposed §§200.208 and 200.339 to impose new conditions or remedies mid-performance leaves no meaningful opportunity to renegotiate, retrain, or cure before the project ends, and the vulnerable residents it serves bear the cost of any interruption.

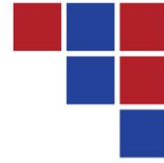
We urge OMB to:

- Establish clear, strict timelines to minimize risk for recipients when terms are modified, to allow counties to make any necessary changes
- Outline and define progress indicators within award terms, to allow counties to stay informed and remain compliant with federal guidelines
- Limit termination authority within existing bases in law and the current Uniform Guidance

New Requirements for Pass-Through Entities [200.303], [200.305], [200.329], [200.332]

If upheld, the proposed rules will complicate daily operations across Summit County. Summit County serves as a pass-through entity for over 15% of the federal grants we administer. We distribute these funds to nonprofits, local service providers, and school districts.





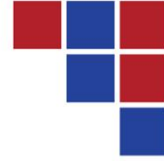
The proposed rules will expand pass-through entity oversight obligations in several areas, such as subaward reporting to SAM.gov, subrecipient monitoring, and subrecipient compliance with strict policy conditions. Several of the proposed changes add administrative layers to routine subaward management.

For example, proposed §200.303 would require the County and its subrecipients to enroll in and operate E-Verify for all employees and contractors working under a federal award and §200.305 would require a separate written justification for every subrecipient payment request. Individually, each adds process, collectively they impose recurring compliance work on every subaward that the County administers. This work is not free, it is absorbed by county staff, and ultimately, by the local taxpayers, who fund the additional personnel, systems, and monitoring that these requirements demand without a corresponding improvement in accountability for programs that the County already administers with a strong compliance record. This is both an unfair and additional burden on county staff who are already stretched thin working to support their communities, as well as an added cost to taxpayers.

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 subjective, vague, and unworkable as written. This requirement poses unacceptable legal and financial risk to county governments, as the consequences of a federal agency’s determination that reputational harm has occurred include direct termination of the subaward or of the county’s entire federal award, regardless of the county’s own compliance record. The provision would require counties to constantly surveil every single action of every subrecipient organization as a condition of receiving federal funds. No county has the capacity to meet these standards, creating significant operational and due process concerns. Summit County’s CDBG allocation, for example, supports numerous community benefit projects undertaken by our political subdivisions that they would otherwise be unable to do without this support. The additional requirements would add hundreds of hours of administrative time and present an increased cost to our county and may prevent future projects.

These expanded obligations, combined with existing requirements, will necessitate additional staff capacity, system investment, and training. Small and mid-sized counties lack the infrastructure to absorb these requirements without reducing program capacity or applying for fewer grants, ultimately punishing those who need assistance the most.





We urge OMB to:

- Provide implementation guidance, technical assistance, and funding before new pass-through requirements take effect
- Allow an adequate transition time of at least 12 months from the effective date to allow 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
- Clearly define, or remove, “significantly damage the reputation” with objective, measurable criteria, limiting any consequences to the specific subaward at issue rather than the county’s entire federal award

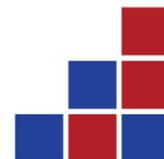
Policy Conditions on Federal Awards and Cost Disallowance [200.218], [200.300], [200.403], [200.450]

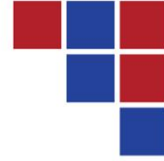
The proposed rules would establish sweeping government-wide prohibitions on how federal funds may be used, without defining the key terms determining compliance. Counties cannot reliably discern, in advance, whether a given program activity meets or violates the new standard. Without clear and measurable definitions, good-faith compliance and planning will be impossible, exposing counties to significant legal and financial risk.

Section 200.218 is drafted so broadly that it fails to give recipients fair notice of what it forbids. The prohibition on “award activities based on the assumed risk of disparate-impact liability” is undefined and could be read to encompass ordinary data collection, program evaluation, and compliance activities undertaken to meet obligations that remain in force under other state and federal law, forcing recipients to segregate or forgo lawful analysis to avoid an ill-defined violation.

Under proposed §200.300(b), the prohibition’s critical terms are undefined. Federal awards may not be used to “fund, promote, encourage, subsidize, or facilitate” the listed categories, but the rule does not define what it means to “promote,” “encourage,” or “facilitate” an activity, or which “policies, principles, or practices” fall within the scope of the prohibition. Before we can assess program-by-program compliance and update subrecipient agreements, counties administering health, workforce, housing, and human services programs need objective and collective understandings of these terms. As it stands, counties face an impossible subjective compliance standard, creating severe financial risk immediately following the rule’s effective date.

The same lack of definition affects proposed §200.450, which makes unallowable any federally funded “issue advocacy or public messaging” on a social or public-policy position “unrelated to” the objectives of the award, along with voter-registration activity.





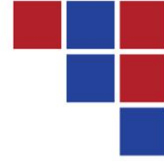
Counties provide public messaging about a variety of topics that inform residents about matters of public concern, including federal and state funded public-health and human-services campaigns. Summit County Public Health and the Alcohol Drug and Mental Health Services Board, both of which receive federal funds, have focused on opioid and overdose-prevention outreach due to the effects of the opioid crisis in Summit County. As written, the rule gives no reliable standard for distinguishing prohibited “public messaging” from the routine public-health communication that certain federal awards are designed to fund. This exposes good-faith outreach to after-the-fact disallowance. We ask that OMB clarify that ordinary program communication and public-health messaging fall outside the prohibition.

OMB has specifically requested comment on the relationship between §200.300 and other provisions of Part 200, including §200.403. The cost allowability factors included in §200.403 incorporate §§200.300 through 200.309 by reference. While this cross-reference is pre-existing, the rulemaking significantly re-writes §200.300 and amends portions of §§200.300 through 200.309, changing the effect of the cross-reference. For example, under proposed §200.300(a), the new prohibitions must be incorporated “in the terms and conditions of the Federal award and all subawards,” and under § 200.339(a)(2), an agency may “disallow costs for all or part of the activity associated with the noncompliance.” Read together, these provisions reach backward, because the new prohibitions would become terms of awards that are already underway, a later finding of noncompliance could disallow expenditures that were permissible at the time they were made. Counties may therefore be required to repay federal funds already spent on programs previously operating in good faith. In response to OMB’s specific request, Summit County submits that the final rule must better define and explain that relationship before recipients can be held to it. The rules would thus transform what might otherwise be a comprehensive, 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 before these prohibitions take effect, to allow counties to assess compliance program by program
- Narrow §200.218 to clarify that it does not reach good-faith compliance measures recipients take to meet their independent obligations under existing federal statutes.
- 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 cost disallowance applies only to expenditures made after a specific, individualized finding of noncompliance, not retroactively to prior spending
- Confirm that pass-through entity liability does not extend to subrecipient activities beyond the direct scope of the federally funded award





Viewpoint-Neutrality and Event-Services Requirements [200.219]

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. We have serious concerns about the scope and workability of this provision.

Summit County owns and manages public facilities, including the Summit County fairgrounds, which hosts a wide variety of public and private events for the region. Applying federal grant conditions to all activities on county-owned property, irrespective of federal funding, requires counties to monitor, regulate, and potentially restrict constitutionally protected activities on public property, creating significant legal and administrative exposure.

We urge OMB to:

- Limit event-services requirements to events that are themselves supported with federal funds
- 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

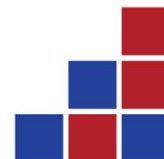
Reclassification from Guidance to Binding Regulation [1.105], [200.110]

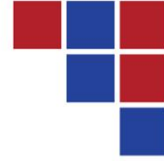
The proposed rule would reclassify 2 CFR Subtitle A from OMB guidance to binding federal regulation, meaning future amendments would take effect government-wide without separate notice-and-comment rulemaking by individual agencies. This represents a significant structural change to how federal grant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

Conclusion

Summit County wants to be clear about the quality and rigor of Summit County's federal grant administration. We maintain documented policies and procedures, internal controls, audit history, and staff training. Summit County pays approximately \$150,000 each year to the Auditor of State for a yearly financial audit and has a robust Internal Audit Department with an annual budget of over \$900,000.





The intergovernmental system works because counties take federal stewardship seriously. We ask that the final rule be calibrated to the full range and size of county grant administrators, not only those with documented compliance failures, and that it not impose uniform new burdens that disadvantage well-managed governments.

Taken together, many provisions of the proposed rule substantially increase Summit County's legal and financial exposure to conduct it cannot fully predict or control through undefined standards that make compliance a moving target, cost disallowance applied retroactively to spending that was lawful when made, and liability extended to subrecipient conduct and non-federally funded activity the County does not directly control. The result is open-ended risk for decisions made in good faith under rules that may only be clarified after the fact.

Additionally, because large infrastructure and capital projects depend on municipal bond financing that is priced against the reliability of the underlying federal commitments, the uncertainty introduced by the Proposed Rule's expanded termination authority may raise the County's borrowing costs and ultimately makes federal dollars more expensive to use, not less, and passes this cost on to local taxpayers.

OMB has allowed only 45 days of public comment on a proposed rule that rewrites the government-wide framework for financial assistance. While we appreciate 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, predictable procedures
- Narrow event services requirements to federally funded activities
- Define the operative terms of §200.300(b)
- Remove §200.339(b) or, at minimum, define "cooperate" and require notice and an opportunity to cure before an agency may assist a private party
- Provide adequate transition time and technical assistance for new requirements
- Preserve notice-and-comment rulemaking for future substantive changes
- Publish a fiscal impact analysis on states and localities before finalizing the rule
- Delay implementation until at least October 1, 2027, so counties have time to prepare

We would appreciate the opportunity to provide additional information or to meet with OMB staff to further discuss these comments. Please contact my office with any questions.

Respectfully,

Ilene Shapiro, Executive
County of Summit

