Federal Rule Will Disrupt Federal Grants

The most consequential federal funding rule change ever will go into effect Dec. 12, 2026.

Under this rule, every single entity that receives federal grant money or pass-through will be subject to new federal regulations.

Includes nonprofits, local governments, school districts, subcontractors, for-profit businesses, etc.

NEW CHANGES

This is a very small sample of changes proposed to the OMB's Uniform Guidance, 2 CFR Part 200.

The rule will affect every single federal grant dollar, and all public facilities regardless of funding.

Discretionary grants can be cancelled ANY TIME for ANY REASON.

No warning, no objections, and no appeal process.

Senior political appointees review ALL discretionary grant awards.

Expert/peer-review downgraded to advisory-only.
Political appointees may cancel any discretionary award without cause or due process.

Prohibits use of federal funds for activities conflicting with the current president's priorities.

Prohibits policies/initiatives that conflict with President Trump's 2025 Executive Orders involving Diversity, Equity and Inclusion, gender ideology, "anti-American" values, etc.