APIAHF ASIAN & PACIFIC ISLANDER AMERICAN HEALTH FORUM

Submitted at www.regulations.gov

July 13, 2026

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

Re: Comment on the Office of Management and Budget Proposed Revisions to Federal Grant Regulations: OMB Docket No. OMB-2026-0034

Dear Director Vought:

The **Asian & Pacific Islander American Health Forum (APIAHF)** and its national Asian American, Native Hawaiian and Pacific Islander (AANHPI) partners: the **Association of Asian Pacific Community Health Organizations (AAPCHO)**, the **Asian Pacific Partners for Empowerment, Advocacy, and Leadership (APPEAL)**, the **National Asian Pacific Center on Aging (NAPCA)**, the **National Council of Asian Pacific Islander Physicians (NCAPIP)**, and the **Philippine Nurses Association of America, Inc. (PNAA)** appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPRM) regarding the proposed Regulation for Federal Financial Assistance. We recognize that the Office of Management and Budget (OMB) seeks to significantly revise 2 C.F.R. Part 200 – referred to as the "Uniform Guidance" – which operates as the government's broad framework for overseeing the management of federal grants, cooperative agreements, and other types of federal financial assistance. While we support efforts to strengthen accountability, transparency, and stewardship of federal funds, we are concerned that several proposed revisions would reduce the effectiveness, predictability, and integrity of federal grant administration while increasing administrative burden for recipients.

APIAHF is the nation's oldest national health advocacy organization dedicated to improving the health and well-being of over 28.6 million Asian Americans, Native Hawaiians and Pacific Islanders. APIAHF achieves health equity for Asian American, Native Hawaiian, and Pacific Islander communities through law, policy and practice with its national network of 315 community-based partners. **AAPCHO** is a national nonprofit association of community-based health provider organizations, primarily federally qualified health centers, dedicated to improving health access and outcomes for Asian Americans, Native Hawaiians, and Pacific Islanders in the United States, the U.S. territories, and the Freely Associated States. AAPCHO members collectively serve nearly three-quarters of a million patients each year, most of whom are low-income and rely on the Health Center Program as their only feasible option for primary care and access to affordable medications. **APPEAL** is a national health justice organization working to achieve health equity for Asian Americans, Native Hawaiians, Pacific Islanders and other underserved communities. **NAPCA** provides culturally competent programs and services, advocates for the dignity and well-being of AANHPI seniors, and works to address health disparities and access to services. **NACAPIP** represents Asian American, Native Hawaiian and Pacific Islander physicians committed to the advancement of the health and well-being of their patients and communities in the U.S. Founded in 1979, **PNAA** represents more than 150,000 U.S. nurses of Philippine-descent through a nationwide network of chapters and promotes excellence in nursing practice, education, research, community service, and health equity.

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Our organization partners with federal agencies, community-based organizations, academic institutions, health systems, and state and local governments to improve health outcomes in historically underserved AANHPI communities. Federal grants are a critical source of support for culturally and linguistically appropriate public health programs, workforce development, research, and community outreach. Collectively, the proposed revisions would reduce the effectiveness and efficiency of federal financial assistance and disproportionately harm organizations that serve underserved populations with poor health outcomes.

The proposed rule will increase uncertainty for grantees, undermining long-term planning and responsible stewardship of federal funds.

Successful public health interventions require long-term planning.[1] Predictability is a foundational principle of sound grants management. Organizations receiving federal awards make multi-year staffing, leasing, procurement, technology, and partnership commitments in reliance on awarded funds. Stable grant administration allows recipients to retain qualified staff, sustain community partnerships, evaluate outcomes, and maximize the return on taxpayer investments. Increased uncertainty regarding continuation, modification, or termination of awards outside objective performance and compliance standards would undermine responsible financial planning and reduce program effectiveness, with organizations avoiding entering long-term partnerships necessary to sustain evidence-based interventions.

AANHPI-serving organizations operate with modest administrative capacity and limited unrestricted reserves. They frequently braid multiple federal, state, and philanthropic funding streams to provide language access, patient navigator and culturally responsive services, refugee and immigrant assistance, Native Hawaiian and Pacific Islander outreach, and support for COFA migrant communities.[2] In APIAHF's 2024-2025 National Survey of Community-Based Organizations (CBOs), we found that most AANHPI-serving CBOs already lack the funding they need to sustain essential services.[3]

Many of these same organizations seek to fund services that have aligned with the current Administration's goals, including expanding digital literacy and English-language education programs in their communities. However, without long-term sustained funding, gaps for these services will continue to grow and be exasperated.

Funding instability has tangible consequences[4] with nonprofits devoting substantially greater administrative resources to contingency planning and fundraising rather than service delivery, reducing overall program efficiency[5] and ultimately reducing access to essential services for vulnerable populations.

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[1] David Roger Walugembe, Shannon Sibbald, et al., *Sustainability of public health interventions: where are the gaps?*, Health Res Policy Syst. (Jan. 15, 2019), https://pmc.ncbi.nlm.nih.gov/articles/PMC6334403/.

[2] Jared G. Tupuola, IF12194, *The Compacts of Free Association*, CRS (Library of Congress), (Dec. 3, 2025), https://www.congress.gov/crs-product/IF12194.

[3] The Asian & Pacific Islander American Health Forum, *Asian American, Native Hawaiian and Pacific Islander Networks for Community Health: Results of a National Survey of Community-Based Organizations Fourth Edition*, (Aug. 22, 2025), https://www.apiahf.org/resource/national-survey-of-community-based-organizations-2024.

[4] Laura Tomasko, Hannah Martin, et al., *How Government Funding Disruptions Affected Nonprofits in Early 2025*, Urban Institute, (Oct. 7, 2025), https://www.urban.org/research/publication/how-government-funding-disruptions-affected-nonprofits-early-2025.

[5] Grace Koch, Hannah Martin, et al., *Nonprofit Leaders' Concerns About Finances, Programming, and Workforce Challenges Intensified from 2024 to 2025*, Urban Institute, (Feb. 23, 2026), https://www.urban.org/research/publication/nonprofit-leaders-concerns-about-finances-programming-and-workforce-challenges.

Institutional expertise preserves and promotes fairness, transparency, accountability and public confidence in federal grant administration.

We are concerned that the proposed rule could diminish the longstanding role of experienced career grants management professionals in administering federal awards. Federal financial assistance has historically depended upon professional civil servants who consistently apply statutory and regulatory standards across administrations. Preserving this institutional expertise promotes fairness, transparency, accountability, and public confidence while reducing the risk of inconsistent implementation.

For decades, federal grant administration has relied upon nonpartisan career civil servants possessing subject-matter expertise, grants management experience, and knowledge of statutory program objectives. Allowing political appointees broad discretion over grant administration raises a real or perceived risk that funding decisions may be influenced by changing political priorities rather than recipient performance, statutory requirements, or demonstrated evidence of program effectiveness.

The proposed revisions may also increase administrative burden rather than reduce it. Recipients of federal assistance may need additional legal review, compliance monitoring, documentation, contingency planning, audit preparation, and financial reserves to manage uncertainty surrounding awards. These activities divert scarce nonprofit resources away from direct services and diminish the return on federal investments.

Public trust in federal grantmaking depends upon predictable, objective administration. Weakening these safeguards could reduce confidence among nonprofit organizations that federal funding decisions are fair, evidence-based, and insulated from political considerations.

Restricting agency flexibility will reduce if not harm grant program effectiveness.

The proposed rule appears to reduce the ability of federal agencies to customize grant requirements based upon the unique priorities and needs of individual agency programs.

Preserving agency flexibility is essential to implementing those programs effectively while maintaining government-wide accountability standards. Federal agencies administer programs authorized by Congress under widely differing statutory authorities with markedly different objectives. Moreover, agencies possess specialized expertise regarding their statutory missions and the constituency (or populations) they serve. For example, a biomedical research grant differs fundamentally from a community health worker initiative, a pandemic or emergency preparedness cooperative agreement, or a behavioral health demonstration project.

The strength of the current Uniform Guidance lies in establishing government-wide standards while preserving agency flexibility to implement program-specific requirements where appropriate. Reducing agencies' ability to tailor grants could potentially have several adverse effects:

- increased use of one-size-fits-all grant conditions that fail to reflect program realities;
- reduced innovation in program design;
- diminished ability to respond to emerging public health needs;
- greater administrative burden for recipients attempting to comply with standardized requirements that do not fit their activities; and
- weaker partnerships between agencies and community organizations.

These concerns are particularly relevant for programs serving diverse populations requiring culturally and linguistically appropriate services. Effective AANHPI health and community driven initiatives often require flexible approaches reflecting significant diversity in language, immigration history, geography, health needs, and organizational capacity.

While streamlining the grantmaking process could reduce duplicative efforts, the Government Accountability Office did not recommend a singular standard, but rather increased cross-agency communication and transparency within the process.[6, 7]

Uniform grant conditions that limit agencies' ability to recognize these differences risk reducing program effectiveness and undermining congressional goals related to health equity, community engagement, and culturally responsive care. It also does not address the current challenges of grant administration, which calls for improvements in coordination, transparency, and accountability.

Foreclosing the door to administrative review for discretionary grant terminations is arbitrary and capricious.

The proposed rule seemingly and arbitrarily forecloses the door to due process for discretionary grant terminations.

APIAHF requests OMB reconsider the proposed Section § 200.342 and establish an administrative appeals process for discretionary grant terminations.[8] The proposed Section 200.342 expressly provides that agencies are "not required to allow for objections, hearings and appeals" regarding any reasons for termination other than termination for noncompliance. This revision differs from the current version of § 200.342 and appears intended to foreclose administrative review of discretionary termination decisions.

Administrative appeals have long served as an efficient and cost-effective mechanism for resolving disputes, correcting factual errors, and addressing misunderstandings that can arise in the administration of complex federal grant programs. Such procedures benefit both grantees and federal agencies by providing an opportunity to resolve issues before they escalate into costly and time-consuming litigation.

In fact, federal grantees that have been subject to discretionary termination of grant-funded projects within the last 18 months have used administrative agency appeal procedures to highlight instances in which their grants may have been incorrectly flagged for termination.[9,10] For example, terminology used in a project narrative may be interpreted as inconsistent with current agency priorities when, in fact, it is being used in an entirely different operational context. An administrative review process allows the grant recipient to provide that explanation and, where appropriate, make minor revisions that address agency concerns while preserving the underlying project and the benefits it provides to patients and communities. Without an internal appeals process for discretionary grants, misunderstandings or "wording errors" could serve as grounds for termination of an otherwise compliant grant-funded project.[11]

Both grant recipients and federal agencies share a common interest in ensuring that compliant programs continue to operate and deliver services to the communities Congress intended them to serve.[12] An administrative appeals process would advance that shared objective by promoting accuracy, transparency, and accountability in

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[6] U.S. Government Accountability Office, *We Found Billions in Potential Savings Possible if Federal Government Acts Now,* (May 12, 2026), https://www.gao.gov/blog/we-found-billions-potential-savings-possible-if-federal-government-acts-now.
[7] U.S. Government Accountability Office, GAO-26-108283, *GRANTS MANAGEMENT: Efforts to Address Challenges Through Government-wide Collaboration*, (Apr. 14, 2026), https://files.gao.gov/reports/GAO-26-108283/index.html.
[8] 2 C.F.R. § 200.340
[9] *President & Fellows of Harvard Coll. v. U.S. Department of Health & Human Services*, 2025 WL 2528380 (D. Mass. 2025)
[10] *U.S. Department of Education v. California*, 604 U.S. ___ (2025)
[11] Eric Katz and Paige Winfield Cunningham, *The Trump administration is holding up billions in HHS funding*, NOTUS, (Jun. 22, 2026), https://www.spotlightpa.org/news/2026/06/trump-hhs-grants-delayed-political-review-billions-federal-government/.
[12] David H. Carpenter, LSB11407, *Litigation Over the Trump Administration's Grant Terminations*, CRS (Library of Congress), (Mar. 19, 2026), https://www.congress.gov/crs-product/LSB11407.

termination decisions. For that reason, we urge OMB to revise proposed § 200.342 to require agencies to provide recipients with a meaningful opportunity for administrative review before a discretionary termination becomes final.

The proposed rule should connect compliance to federal anti-discrimination laws rather than to terminology that is vague and not defined in the regulation.

APIAHF requests that OMB revise the proposed § 200.300(b)(1) to focus directly on compliance with applicable federal anti-discrimination laws rather than on the undefined term "diversity, equity, and inclusion (DEI)."[13] As drafted, the proposed provision would prohibit the use of federal awards to "fund, promote, encourage, subsidize or facilitate diversity, equity and inclusion (DEI) policies, principles, or practices that violate any applicable federal anti-discrimination laws."

To maintain compliance with established legal requirements while reducing uncertainty for recipients, APIAHF believes the following language would provide greater clarity and achieve the same policy objective:

"In administering federal awards, to the maximum extent permitted by law, the federal agency or pass-through entity must ensure that federal awards and subawards are not used to fund, promote, encourage, subsidize, or facilitate policies, principles, or practices that violate applicable federal anti-discrimination laws."

Public health programs are designed to improve access to care and health outcomes in medically and historically underserved communities. In that context, terms such as "equity" may be used in a variety of operational, clinical, or public health settings.[14,15]

For example, rural residents are more likely than their urban counterparts to die prematurely from chronic diseases.[16] Because the proposed version of § 200.300(b)(1) does not define what constitutes a prohibited DEI policy, principle, or practice, organizations, providers and staff could encounter real liability and risk for customary program activities and no longer invest in rural health. This stands true for many other medically and historically underserved subgroups.

APIAHF understands that OMB's objective is to ensure compliance with applicable federal anti-discrimination statutes. The NPRM explicitly states that the proposed revisions are intended to clarify and emphasize existing legal requirements consistent with underlying statutory authorities and Executive Branch policy. Respectfully, we request that OMB consider the modified language to refocus the provision on compliance with federal anti-discrimination laws rather than on terminology that is not specifically defined in the regulation.

The proposed rule will negatively impact the public health and safety of medically and historically underserved populations and negate investments made in reducing health disparities.

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[13] Nonnie L. Shivers and Zachary V. Zagger, *DEI at Stake: Federal Groups Challenge Trump's Efforts to Curb Inclusivity*, Ogletree Deakins, (Feb. 10, 2025), https://ogletree.com/insights-resources/blog-posts/dei-at-stake-federal-groups-challenge-trumps-efforts-to-curb-inclusivity/.

[14] American Medical Association, *AMA adopts new policy to create equity in clinical trials and research*, (Jun. 11, 2024), https://www.ama-assn.org/press-center/ama-press-releases/ama-adopts-new-policy-create-equity-clinical-trials-and-research.

[15] Keon L. Gilbert, Mary Shaw, et al., *Achieving the Health Equity Agenda Through Transformative Community-Engaged Strategies*, Preventing Chronic Disease Vol. 20, (Nov. 9, 2023), https://www.cdc.gov/pcd/issues/2023/23_0077.htm.

[16] National Center for Chronic Disease Prevention and Health Promotion, *Preventing Chronic Diseases and Promoting Health in Rural Communities*, CDC, (Dec. 19, 2024), https://www.cdc.gov/health-equity-chronic-disease/health-equity-rural-communities/index.html.

APIAHF is particularly concerned about the cumulative effects of the proposed rule on organizations serving medically and historically underserved populations experiencing demonstrated health disparities.

AANHPI communities encompass more than 50 ethnic groups and over 100 languages.[17] Effective service delivery frequently depends upon trusted community-based organizations with deep local relationships and specialized cultural expertise. These organizations often operate with limited unrestricted funding and cannot readily absorb prolonged uncertainty regarding federal awards. Increased administrative risk, unpredictable funding decisions, and reduced agency flexibility may discourage participation in federal grant programs altogether.

The resulting contraction in community-based capacity would undermine decades-long federal investments in chronic disease prevention, behavioral health, maternal health, language access, workforce development, pandemic mitigation, emergency preparedness, and efforts to reduce evidence based health disparities.

Conclusion

Taken together, the proposed revisions risk reducing nonprofit capacity, increasing administrative costs, discouraging participation in federal grant programs, and weakening the effectiveness of federally funded public health and community driven initiatives. These outcomes would ultimately reduce the value of taxpayer investments while making it more difficult for community organizations to deliver essential healthcare and community services to medically and historically underserved communities.

The Uniform Guidance for federal awards has long balanced accountability with flexibility while promoting effective stewardship of federal funds across agencies. We encourage OMB to preserve these core principles while pursuing reforms that enhance, not diminish, the effectiveness, efficiency, transparency and integrity of federal grantmaking.

We respectfully urge OMB to reconsider these provisions and their cumulative impact on community organizations who deliver essential healthcare and community services and preserve a federal grants framework that supports evidence-based decision-making, sound financial stewardship, and equitable access to federal resources.

Thank you for the opportunity to comment on these proposals. APIAHF appreciates OMB's commitment to promoting transparency and responsible stewardship of Federal funds. Should you have any questions, please contact the APIAHF policy team (policy@apiahf.org).

Respectfully submitted,

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Asian Pacific Partners for Empowerment, Advocacy, and Leadership
National Asian Pacific Center on Aging
National Council of Asian Pacific Islander Physicians
Philippine Nurses Association of America, Inc.

[17] U.S. Congress Joint Economic Committee, *The Economic State of Asian Americans, Native Hawaiians and Pacific Islanders in the United States*, (2023), https://www.jec.senate.gov/public/_cache/files/ad7d7ce9-21b5-45c5-a65b-c4d91f536904/aanhpi-fact-sheet-final.pdf.