Dear Chairs and Ranking Members:

The undersigned organizations write to ask Congress to protect its constitutional authority over federal spending as the executive branch is actively overriding this authority despite recently passed legislation explicitly setting out congressional intent. Agencies are moving to implement the Office of Management and Budget's proposed rule on federal financial assistance (commonly referred to as "Uniform Guidance") in direct contradiction to bipartisan language in the continuing resolution which prohibited OMB from finalizing or implementing the rule through December 11, 2026.

Our coalition spans state, local, and tribal governments; nonprofit charities; hospitals; businesses; educational institutions; universities; and organizations from the agriculture, energy, housing, research, public health, transportation, and infrastructure sectors as well as other recipients of federal assistance. Together, we administer federal awards across every sector and deliver research, health care, public safety, housing, education, and community services in every state and congressional district. We are united by a shared interest in a federal grants system that is stable, lawful, and accountable to Congress.

Congress has spoken. Section 157 of the Continuing Appropriations and Extensions Act, 2027 (P.L. 119-103) prohibits OMB from issuing or finalizing the proposed Uniform Grants Regulation *or any substantially similar rule* through December 11, 2026. Adopted with bipartisan support, the provision preserves the current Uniform Guidance while Congress evaluates proposed changes affecting more than $1 trillion in annual federal awards.

However, several federal agencies are proceeding in direct contravention of Congress's explicit instructions. For example, the agencies listed below are advancing their own rules and policies that incorporate key elements of the proposed OMB rule as though it were already in effect.

- **National Science Foundation (NSF)**: NSF has aligned its proposed Guidance on Financial Assistance (NSF-2026-OTR-0001) with OMB's pending revised Uniform Guidance.
- **The Department of Education (ED)**: ED has proposed revisions to its General Administrative Regulations (EDGAR) that align agency regulations with the proposed Uniform Guidance.
- **The Department of Agriculture (USDA)**: USDA's revised General Terms and Conditions for Federal Awards incorporate requirements drawn from executive orders and policy changes reflected in the proposed Uniform Guidance.
- **The Department of Housing and Urban Development (HUD)**: The agency has proposed creating the HUD Unified Grant System. HUGS is being built, using unclear authorities, to implement the Uniform Guidance. Housing organizations predict that the new HUD requirements will increase administrative burden for HUD grantees and could lead to the politicization of HUD awards. This is in addition to HUD's moves to incorporate Executive Orders into guidance and other documents (e.g. PIH 2026-12, Rev. 2) without going through the rulemaking process.
- **National Institutes of Health (NIH)**: Lawmakers were forced to step in when reports surfaced that the administration had plans to add a layer of political review of NIH applications after the merit-based review process. The reports raised concerns that the plans were similar to provisions in the proposed Uniform Guidance revisions, in spite of Congress's explicit directive blocking the revisions in the continuing resolution.
- **NASA**: NASA revised its Grant and Cooperative Agreement Terms and Conditions to permit awards to be terminated "at the convenience of the government" – parallel to language in the proposed Uniform Guidance.

- **Department of Energy (DOE)**: DOE's Office of Science issued a notice of funding opportunity incorporating selection criteria that align with the proposed Uniform Guidance, including relevance to the President's policy priorities, lower institutional indirect cost rates, and commitment to "Gold Standard Science."

Taken together, these actions would implement across several federal agencies the very guidance Congress has halted OMB from implementing.

This approach raises serious separation-of-powers concerns. Congress possesses the sole constitutional authority to appropriate funds, establish federal programs, and determine the conditions under which federal assistance is awarded and administered. Through Section 157 of the recent continuing resolution, Congress was explicit in prohibiting OMB from proceeding with the proposed revisions to Uniform Guidance. Agencies should not be permitted to achieve through individual actions what Congress has suspended governmentwide. Allowing agencies to circumvent an appropriations directive diminishes Congress's ability to control the use of federal funds – regardless of which party controls the executive branch.

This approach also creates uncertainty for recipients. OMB has not finalized the proposed rule and has yet to address tens of thousands of public comments submitted in response to it. At the same time, the legal status of several executive orders underlying these agency actions remains unresolved. As a result, recipients face conflicting requirements, increased compliance costs, and uncertainty regarding the rules that will govern long-term projects and investments. Instead of creating uniformity, individual agency actions to implement OMB's rule have produced fragmentation, risk, and confusion across federal grant programs.

We respectfully urge Congress to:

- *Conduct oversight of agency actions implementing OMB's proposed regulation and require agencies to identify the legal authority supporting those actions and to explain whether they are consistent with Section 157.*
- *Include Section 157 in any future continuing resolutions that extend government funding beyond December 11, 2026, and clarify that it applies to any agency action implementing OMB's proposed regulation or substantially similar provisions.*
- *Include language in final FY27 appropriations legislation preventing OMB from implementing its proposed revisions to the Uniform Guidance and preventing agencies from implementing the proposed regulation or substantially similar provisions.*
- *Ensure that any future revisions of the Uniform Guidance respect Congress's constitutional authority, incorporate meaningful public participation, and are not implemented prematurely by federal agencies.*

We appreciate your leadership and welcome the opportunity to discuss these concerns with you and your staff.

Sincerely,