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Clerk of the Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, California 93301
Telephone (661) 868-3585
TTY Relay 800-735-2929

June 29, 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,

On behalf of the Kern County Board of Supervisors, we respectfully submit the following comments on 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.

Kern County administers a broad portfolio of federal awards that are essential to public safety, transportation, behavioral health, public health, human services, housing, emergency response, and community-serving programs. In 2024 alone, Kern County managed approximately \$417 million in federal grants across dozens of programs, many of which support vulnerable communities and are delivered both directly and through subrecipients such as nonprofits, school districts, and community-based organizations.

The proposed rule would represent the most sweeping overhaul of federal grant administration since 2013. While we appreciate OMB's stated intent to improve accountability, transparency, and oversight, several provisions as drafted would create significant fiscal instability, legal exposure, and operational barriers for counties nationwide, threatening the continuity of services Congress has funded and our communities rely upon.

One of our most serious concerns is the proposed expansion of federal termination authority. Allowing agencies to end awards based on shifting federal policy priorities driven by political appointees creates deep uncertainty for counties that build budgets, staffing levels, and multi-year service plans around federal commitments. Kern County, like all counties, must adopt budgets months in advance, long before federal agencies set or modify policy priorities. The possibility of mid-performance termination unrelated to recipient performance would jeopardize critical programs, disrupt services for vulnerable populations, and make responsible fiscal planning impossible. Without clear standards, advance notice, and reasonable wind-down periods, this authority would impose untenable financial risk on local governments.

We are also concerned that the proposed pre-award review and expanded risk evaluation requirements would add duplicative layers of political and administrative scrutiny that slow award processing and deter participation. Kern County maintains rigorous internal controls, a strong audit history, and established grant management policies. Additional pre-award review by senior agency officials should not become a mechanism for discretionary policy screening or indefinite delays. Transparent, objective criteria and firm timelines are essential to ensure predictability for applicants with demonstrated compliance capacity.

The proposed viewpoint-neutrality and event-services requirements pose further challenges. By applying federal conditions to expressive activities on all county-owned property, irrespective of whether a given event receives federal funding, the rule would compel counties to monitor and regulate constitutionally protected activities across parks, fairgrounds, meeting halls, and other public venues. Such a broad and unprecedented mandate would expose counties to significant administrative and legal risk, including First Amendment challenges, while extending liability for activities far outside the scope of federally assisted programs. These requirements must be narrowly tailored to events actually supported with federal funds.

Similarly, the proposed expansion of pass-through entity obligations would require counties to assume responsibility for monitoring and potentially sanctioning subrecipients based on vague and subjective standards, including whether a subrecipient's actions "significantly damage the reputation" of the county, awarding agency, or federal government. Counties cannot reasonably be expected to police the public conduct of every subrecipient organization, nor absorb the risk that a federal agency might terminate an entire federal award based on conduct unrelated to programmatic performance. Pass-through responsibilities must be clear, objectively defined, and limited to activities within the scope of the funded program.

We are further concerned by the proposal to reclassify the Uniform Guidance from OMB guidance into binding regulation. This would allow future government-wide policy changes to take effect without agency-level notice-and-comment, reducing the ability of counties to respond to regulatory shifts that directly affect budget planning, program design, and service delivery. Given the scale of federal funding administered by local governments, preserving meaningful intergovernmental consultation is essential.

The new award-administration prohibitions, particularly those in §§ 200.300(b) and 200.403, also introduce significant uncertainty by relying on key terms that are not defined. Counties cannot assess compliance, update subrecipient agreements, or train staff when the operative standards lack clear meaning. Because potential violations could result in costs being deemed unallowable retroactively, counties risk having to repay funds already spent in good faith on federally authorized activities. Compliance cannot be achieved when the governing terms are undefined at the outset.

Finally, the proposed pre-approval, affiliation-based disqualification, and termination provisions raise concerns about the potential politicization of discretionary grants. Discretionary awards must be administered based on statutory purpose, evidence of community need, and applicant capability, not ideological alignment. Provisions that allow agencies to withhold, disqualify, or terminate awards based on political priorities or subjective determinations invite inconsistent application and could disproportionately harm communities that rely on federally supported programs addressing equity, health, housing, and public safety.

Kern County is committed to the responsible stewardship of federal funds and to the success of the intergovernmental partnership that makes federal programs effective at the local level. We appreciate OMB's attention to stakeholder input and 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
- Provide adequate transition time and technical assistance for new requirements
- Preserve notice-and-comment rulemaking for future substantive changes

Sincerely,

A handwritten signature in blue ink, appearing to read "Phillip Peters", with a stylized, flowing script.

Phillip Peters, Chairman
Kern County Board of Supervisors

cc: Kern Congressional Delegation
Townsend Public Affairs