NACCHO
National Association of County & City Health Officials
The National Connection for Local Public Health

June 17, 2026

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

RE: Docket No. OMB-2026-0034; Public Comments in Response to Regulation for Federal Financial Assistance

Director Vought,

On behalf of the over 3,300 local health departments across the nation, the National Association of County and City Health Officials (NACCHO) appreciates the opportunity to respond to the request for comments regarding the Office of Management and Budget's (OMB) proposed rule on Federal Financial Assistance. Local health departments work every day in their communities to prevent disease, promote wellness, and protect health security. They work each day to help achieve federal public health goals and ensure the nation's health security. Congress and the Executive Branch have recognized the important role they play and invested in their work through grants and cooperative agreements—both directly and via passthrough from the state. The changes proposed would likely cause significant instability in the public health system and have significant impacts on the important work health departments do to protect the nation's health security.

Local Health Departments Need Stability and Predictability [§ 200.205(b), § 200.206(b), § 200.208, § 200.340, § 200.340(e)]

Several of the provisions in OMB's proposed rule would create unpredictability and instability for local health departments across the nation, making it difficult to plan lifesaving programs and interventions. These provisions include Pre-Issuance Review by Senior Appointees (§ 200.205(b)), Expanded Risk Assessment Factors (§ 200.206(b)), Specific Conditions Authority (§ 200.208), Expanded Discretionary Termination (§ 200.340), and New Temporary Suspension Authority (§ 200.340(e)). These proposed changes would allow agencies to cancel grants with little explanation or warning, creating an opaque and uncertain environment for grantees that rely on federal funding to provide direct services to communities. It is important to note that cancellations and pauses like this are particularly destabilizing as they occur when programs are in progress and actively being utilized in communities according to workplans already approved by the federal government. The impact of the lack of predictability and assurance that a federal contract or cooperative agreement will remain valid through the agreed upon period of work would likely be more magnified for local health departments. Most local health departments receive pass-through federal funding via the state. Uncertainty at the state level could lead

to additional delays in moving funds to the local level, and ultimately to the individuals in the community who would benefit from it, particularly in rural areas.

The impact is not hypothetical. Over the last two years, local health departments have experienced arbitrary pauses and cancellations of already obligated Congressionally approved funding. For FY 2023, CDC reported that it provided over $15 billion in grants to health departments across the country which includes funding derived from CDC's core discretionary funds as well as mandatory funds for programs such as Vaccines for Children.[1] These funds support all types of public health activities including controlling the spread of communicable disease, preventing chronic diseases, improving nutrition and food safety, improving air and water quality, promoting safer workplaces, reducing automobile accidents, and more.

In March 2025, more than $12 billion in supplemental funds were clawed back from state and local health departments without any warning.[2] Those funds were actively being used in communities, including for disease detection and response, laboratory capacity, as well as efforts to address metal health and substance abuse. The loss of funds, which had been in use in accordance with federally-approved workplans, had immediate impacts on active public health responses, including the West Texas measles outbreak.[3]

Similarly, in January 2026, the Substance Abuse and Mental Health Services Administration announced $2 billion in immediate cuts to funding that supported mental health and substance use programs across the nation.[4] Changes to policy and funding that impact the entirety of the nation must be carefully considered as not to create stress and chaos for families managing mental health or substance use disorders and the public health and health care providers supporting them.

A few weeks later, as many health departments across the country were preparing for a major snowstorm to hit much of the United States, immediate stop work orders for public health infrastructure grants were sent on a Saturday morning causing confusion and making it harder for health departments to press forward on preparing their communities ahead of the storm.[5] These Congressionally appropriated funds were being used as Congress intended and the pause meant that many local health officials had to stop efforts to prepare and respond to a significant winter storm to address this unexpected stoppage of funds. While each of these stoppages were eventually reversed by the federal government, the disruptions caused significant challenges for health departments that had to immediately stop working on a host of critical activities.

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[1] What is Public Health? - U.S. Public Health - KFF
[2] Administration Abruptly Cuts Billions from State Health Services - The New York Times
[3] Health officials say federal cuts will hurt Texas' measles response - The Texas Tribune
[4] Mental health grants slashed then restored sparks chaos - NPR
[5] Freeze of federal health money, followed by abrupt reversal, sows confusion in states - The Washington Post

Uncertainty in federal funding makes it difficult for local health departments to plan programs to address emerging public health threats, respond to emergencies, or hire staff. Health departments must be able to rely on contractual funding agreements to carry out the work that is agreed upon for the full period of performance. Moreover, subject matter expert agency staff are best positioned to ensure consistency for grantees as there has been significant turnover among political appointees at CDC and other federal health agencies, which would make the proposed grant determinations challenging, potentially delaying funds even further.[6] NACCHO is also concerned that certain provisions in the proposed rule would remove an agency's flexibility in adopting OMB's guidance in order to best serve the needs of the federal program. This change may make it more difficult before or during public health emergencies to utilize important flexibilities in some CDC funding mechanisms that had previously allowed for certain resources to be redirected to address emergent issues. Delays or uncertainty regarding funding in the lead up or during emergencies will cause unnecessary strain on the nation's public health system.

Given the concurrent public health challenges the nation is experiencing, including multiple measles outbreaks, the threat of New World Screwworm, and international travelers arriving for the World Cup, flexibility, stability, and predictability are critically important to protecting and preserving the nation's health security.

Additional Burdens on Local Health Departments [§§ 200.329(h), 200.332(g), § 200.332(i), § 200.461, § 200.432, 200.421]

The proposed rule includes a new provision that would require pass-through entities to ensure subrecipients do not "significantly damage the reputation" of the pass-through entity, funding agency, or the U.S. government. However, it fails to specify any example of such reputational damage. Many local health departments receive federal funding through the state health department, completing work in line with specified workplans that adhere to the grant parameters. This proposed requirement is vague and would require burdensome additional tracking and monitoring activities without clear evidence of the issue the proposed rule says it is trying to address. Moreover, the additional burden would be costly and require grantees to divert congressionally-appropriated funds from their public health purpose to such additional monitoring requirements. Directly-funded entities may also decide to provide fewer grants to communities to avoid this level of compliance as well as potential risks associated with an individual's interpretation of what may constitute reputational damage. In the public health context, this could lead to fewer resources making it to rural areas, where health departments only access federal funds as subawards from their state.

Additionally, under current rules, conference attendance related to the scientific work of a grant is a standard, routine allowable cost. Local health departments are often the sub-recipient of a grant and would not necessarily have the opportunity to seek pre-approval during the grant application process, meaning local public health professionals would be at risk of missing out on important collaboration and

[6] Inside the CDC's leadership vacuum: work at a 'standstill' and low morale as 80% of top posts remain vacant - The Guardian

professional advancement opportunities. This will make it harder to learn and share best practices, reducing efficiency and leading some communities to miss out on important innovations.

Similarly, the proposed rule would impose professional membership and publication restrictions, which, like convenings, allow health department experts to share best practices and learn from each other. This sharing of information plays an important role in the efficient and effective use of federal funds and the overall strength of the nation's health infrastructure. By convening in person, participating with an association, or sharing in a publication or journal, public health professionals can disseminate what works, learn how to implement it, and improve the services and supports provided locally to improve and protect the health of the nation as a whole.

Overall, these connection points serve a vital purpose for the entire field. They are what drives continued innovation, modernization, efficiencies in the field, and efficient operations. Health departments already face exceedingly high barriers to sharing due to the work on the ground being all-consuming. Particularly as a part of the government's public health system, local health departments cannot work in an absolute void of one another. Regular opportunities to convene and share drive this part of the public health system. Creating new barriers or making it more difficult to do so will lead to fractures in the system and make it harder to respond in a coordinated way during times of greatest public health crises.

Barriers to Sharing Information with the Public [§ 200.461, § 200.421]

Local health departments are constantly evolving to meet the needs of the communities they serve. Innovations and lessons learned in one community can be leveraged by another, creating efficiencies as the system works together towards optimal health outcomes. The proposed rule would significantly limit the ability of scientific and public health researchers to share and disseminate critical information.

Public relations and external communications are also critical to the work of local health departments. Public health initiatives—such as mental health awareness, and chronic disease prevention—require broad public cooperation and awareness. Public relations campaigns make specialized knowledge relatable, empowering individuals and families to make proactive, informed health decisions.

For example, local health departments across the country are working to assure health and safety amidst an influx of global travelers for the 2026 FIFA World Cup. A critical part of emergency readiness and response is communication about the wide variety of public health threats that may emerge and how attendees can enjoy the games safely. Local health departments have prepared and are monitoring for infectious disease outbreaks, extreme heat, poor air quality, food poisoning, overdoses, as well as possible chemical, biological, radiological, and nuclear threats.[7,8,9] Local public health officials are key messengers to their communities when concurrent outbreaks may have the public confused or worried.

[7] Philly's health department views World Cup risks through 'prevention lens' to protect public - PhillyVoice
[8] Kansas City readies health plans for World Cup visitors - Kansas City Star
[9] North Texas health officials prepare for FIFA World Cup - NBC 5 Dallas-Fort Worth

For example, health officials are actively communicating with the public that during the World Cup the risk of Hantavirus and Ebola remain low.[10] It is critical that health officials have the ability to communicate and disseminate urgent information without concern that the funding used to support the activities keeping people safe could be terminated.

NACCHO appreciates the opportunity to provide comments on the proposed rule and urges OMB to rescind the rule, accounting for the information presented herein and the potential harm of the health and safety of communities. Thank you for consideration of these comments.

Sincerely,

Lori Tremmel Freeman, MBA
Chief Executive Officer
National Association of County and City Health Officials

[10] Hantavirus and Ebola in Houston 2026: What You Need to Know - Houstonia Magazine