



March 13, 2023

Steven Mackey, Policy Analyst  
OMB Office of Federal Financial Management  
Office of Management and Budget  
Executive Office of the President  
725 17th Street, NW  
Washington, DC 20503

Re: Office of Management and Budget  
Executive Office of the President  
Docket Number 2023-02158  
Proposed revisions to Title 2 of the Code of Federal Regulation, Subtitle A, Chapters I and II  
Notice; request for information.

On behalf of the nation's, counties, cities and government finance officers, we appreciate the opportunity to provide comments in response to the Office of Management and Budget (OMB) request for information on proposed revisions to Title 2 of the Code of Federal Regulation, Subtitle A, Chapters I and II. We offer five broad recommendations on how to reduce administrative burden as well as provide specific comments and recommendations on the four questions laid out in the Federal Register notice dated February 9, 2023.

Collectively, our organizations represent the nation's 3,069 counties, 19,000 cities, towns and villages and more than 22,000 government finance officials. The National Association of Counties (NACo), National League of Cities (NLC), Government Finance Officers Association (GFOA) and the National Institute of Government Purchasing (NIGP) (The Coalition) work and support our members when it comes to the federal awards process. Our members are extremely interested in working with OMB to provide feedback on how to reform and simplify Title 2 of the Code of Federal Regulation, Subtitle A, Chapters I and II for elected officials and the government finance officers that are charged with carrying out the operations of the counties and municipalities.

Our members' understanding of these federal guidelines has risen drastically in particular due to grant programs currently deployed. We believe that our members offer fresh perspectives on

practical utilization and ease of execution of Uniform Guidance. In this request for information, The Coalition provides OMB with five general recommendations on how to reduce administrative burden for our members, and then will cite specific areas in 2 CFR for reform.

### **Recommendations for Reducing Administrative Burden**

1) *Promote Simplified Concepts, Accessibility of Key Timing/Thresholds and Scale Compliance Based on Entity Size.* Counties and cities are often pass-through recipients of federal awards. The process from application to agreements to reporting and closeout is lengthy, complex and time consuming. Moreover, if the award is an interagency award, the interplay of differing regulations adds another level of complication with which local staff must contend.

Many local governments are constrained in the level of effort (LOE) they can devote for a local government official for this process of the awards and regulations process, constraining capacity and limiting the number of awards a county or city can or will pursue.

The Coalition recommends a “uniform guidance lite” for projects under a certain dollar threshold. This would be especially beneficial to smaller and more rural counties and cities. We propose that OMB streamline the process so that only one (the most stringent) set of regulations apply for reporting and regulations. The Coalition is strongly motivated to provide assistance in the drafting, beta testing and deployment of such a document.

As smaller and more rural counties and cities are limited in the LOE they can devote for any full-time employee to this, it is important to provide (hire, train, and budget for) technical assistance at each federal agency so that small and rural counties and cities have a contact they can call to receive support with federal awards. Agencies often have regional offices with staff who are familiar with the communities they serve. The regional offices should provide training and technical assistance in all aspects of the federal award lifecycle.

2) *Streamline Common Identifiers for Tracking Purposes.* A burden on local governments is the plethora of multiple federal identifiers required by different agencies. Examples include: The CAGE Code, a five-character ID number used by the Federal Government to identify vendors, Unique Entity ID (UEI), and Federal EIN numbers. These are just a few of the different identifying IDs that different agencies require when applying for federal awards.

The Coalition would recommend that OMB work with the Government Services Administration, the Internal Revenue Service, and other agencies that provide identifying IDs used by local governments to create one streamlined process so each local government has one unique identifier that can be used across all platforms.

3) *Utilize “Plain Language” Instruction for the Layman Whenever Possible.* The Coalition asserts that the guidelines for federal awards are often too long and contain overly complex technical language. Local government officials wade through long Notices of Funding Opportunities to find out either that their local government is not eligible, or the language provided by the agency is too ambiguous to present a clear answer on eligibility.

The Coalition proposes that administering agencies provide simplified instructions for eligible entities and that administering agencies to provide key deadlines for all grant processes so that applicants can make a decision about whether to pursue the grant or not. Moreover, many local governments face limited human capacity to seek out, apply for, and administer federal awards. Therefore, administering agencies should provide instructions well in advance and allow more time for applicants to prepare to apply.

To enhance practical application of key concepts, The Coalition recommends periodic “white papers” on different scenarios and examples. For example, indirect costs, eligibility testing, performance reporting testing with underlying data. The coalition is happy to provide beta testers and reviewers of such documents.

4) *Lengthen Timelines to Accommodate Local Governments Due Process.* Counties and cities need to follow formal processes to go after and accept federal awards. Often these require actions by county or city councils, some of which might meet once a month. In the vein of extending deadlines for applications and awards, the federal government needs to understand that local government might not be able to react with in a 30- or 45-day application window, first to get approval from council and then have enough time to put together a competitive grant application. Local government processes should be better understood, and local governments should be consulted about a minimum time window needed to clear internal barriers to write a competitive grant application.

5) *Streamline Applications Processes.* Grants.gov is not always the final touch point for local governments filing applications for federal awards. There are cases where a local government will apply to grants.gov thinking once the application is submitted through that portal, it is done. This is not always the case. There are cases where local governments need to apply both through grants.gov and through the administering agency’s website. One example of a program where this is happening is the Connect and Protect: Law Enforcement Behavioral Health Response Program. The Notice of Funding Opportunity states that a local government must apply through grants.gov and justgrants.usdoj.gov under a separate deadline. For local governments with limited resources and staff capacity, this added burden of applying to two locations at two different times seems overly burdensome.

### **Comments and Some Suggestions on Specific Section for Revision for 2 CFR**

What specific sections of 2 CFR would benefit from revision in order to support the goal of reducing administrative burden:

1) Remove the last sentence that of 2 CFR 200.17 that states: “All other non-Federal entities, including subrecipients of a state, will follow §200.318 General procurement standards through 200.326 Contract provisions.”

The Coalition believes that if states can follow their own procurement standards for the use of federal funds, why should local governments not be afforded the same opportunity?

**Recommendation:** At the very least, add local governments to the opening sentence that says a state *and local government* must follow the same policies and procedures it uses for procurements from non-federal funds. Other non-public entities then would have to follow §200.318-200.326. Local governments, like state governments, already follow the rules of fair and open competition but following all the extra rules from 2 CFR makes local governments inefficient in spending federal awards.

2) Many areas of 2 CFR apply directly to states and never apply to a county or municipality. It would tremendously improve efficiency nationwide if there was a Compliance Supplement specific to states, and another for everyone else. A clearer set of procedures and requirements for states, counties and cities would reduce the administrative burden on local governments trying to wade through unneeded Compliance Supplements.

3) Allow for the use of contracts established by the GSA, cooperative contracting organizations or public agencies to satisfy formal procurement requirements. These “piggyback” contracts have already gone through a thorough competitive process. In cases where the piggyback contract meets federal procurement guidelines, disallowing (or not clearly allowing) the use of piggybacks creates an unnecessary burden for local government. The current practice to discourage piggybacking is inefficient as granting agencies typically will resist providing clear guidance on whether or not a piggyback contract may be used. Recipients are left with no clear guidance on whether to expedite the grant purchase through a piggyback or delay the purchase by initiating a competitive process. There should be clear ‘yes or no’ guidance on piggybacks, which may be qualified with guidance on any specific requirements that the contract to be piggyback must contain or process that must have been followed.

How have specific sections of 2 CFR have been interpreted differently by Federal agencies and recipients leading to inconsistent implementation of Federal financial assistance.

1) Under 2 CFR 200.331 both subrecipients and non-subrecipients receive contracts and are therefore, “contractors.”. The use of the term contractor from vendor has created serious confusion.

2) Federal agency grant funding requirements (2 CFR §200.317-200.326) are interpreted differently by different agencies. For example, U.S. Department of Housing & Urban Development and the U.S. Environmental Protection Agency, among others have their own interpretation of 2 CFR and have their own guidelines and contract templates to use. Moreover, the placement of eligibility requirements on Notice of Funding Opportunities are listed in different places for different federal awards. Some administrating agencies list them at the top of the application. Others at the bottom. Uniformity of placement would reduce wasted time in searching through long Notices of Funding and make applying easier for local governments.

**Recommendation:** The Coalition proposes that all federal agencies have the same support materials for non-federal groups to use.


3) We respectfully request a streamlined master guide and bid template to use for any federal funded purchase that all federal agencies could provide to recipients in 2 CFR 200.317-200.326.

Specific sections of 2 CFR that would benefit from improved clarity or more precise language:

Again, the Coalition, constituted of counties, cities, and the government finance officers who support these entities, reiterate that 2 CFR 200.17 that states: “All other non-Federal entities, including subrecipients of a state, will follow §200.318 General procurement standards through 200.326 Contract provisions” should be amended to add local governments to the opening sentence that says a state (and local government) must follow the same policies and procedures it uses for procurements from non-federal funds.

Given The Coalition’s breadth of industry knowledge and variety of applied Uniform Guidance concepts in the organizations we represent, we are always glad to make ourselves available to offer our expert advice to help the OMB address specific challenges with industry best practices or solutions that help address our mutual federal funds goals. We stand ready to provide any additional information you may require and look forward to working with you on this and other matters of mutual interest. Thank you again for the opportunity to comment.

Sincerely,



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