



Association of  
Metropolitan  
Planning  
Organizations

# AMPO Briefing

## OMB Rule

Regulation for Federal Financial Assistance

# Connecting MPOs with federal partners, peer networks, and national expertise.



TODAY'S BRIEFING

# Agenda



- 1 OMB Proposed Rule Overview
- 2 Potential MPO Impacts
- 3 Grant Streamlining and Simplification Provisions
- 4 Areas of Concern
- 5 Looking Ahead & Next Steps

# OMB Regulation for Federal Financial Assistance

## THE RULE

- On May 29, 2026, OMB, USDOT, and 30+ agencies issued a [proposed rule](#) to rewrite the government-wide framework for managing federal financial assistance,
  - driven by the [“Improving Oversight of Federal Grantmaking”](#) EO.
- The rule’s consolidates prior executive orders and administrative actions into a single, government-wide regulation.
- OMB proposes replacing the [Uniform Guidance](#) with a more binding [“Uniform Grants Regulation”](#) (UGR)
- **Stated goal:** strengthen transparency, accountability, and oversight.

## FOR TRANSPORTATION

- The rule would not rewrite transportation statutes or change apportionment formulas, but could affect how federal transportation **funds are awarded, administered, documented, and passed through** to subrecipients.
- Scope extends beyond competitive grants. Requirements appear to apply broadly, including to **formula funds**.
- The proposal also includes **streamlining reforms** at the front end of the **competitive grant process**.

**PROPOSED RULE**— Comments due **July 13, 2026** | Target effective date: **October 1, 2026**

# At a Glance – Mixed Impact

Streamlining at the front end; more oversight & documentation post award.

## Potentially helpful streamlining

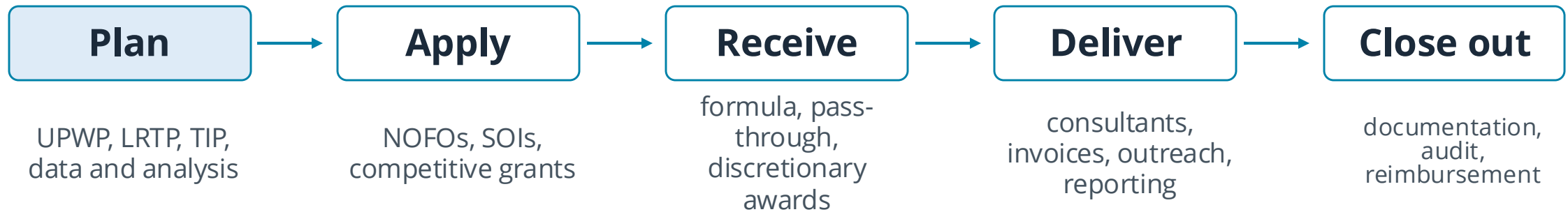
- Multi-year awards
- Simpler NOFOs
- Statements of Interest
- Grants.gov consistency

## Potential new uncertainty / burden

- Termination and stop-work risk
- Professional development approvals
- E-Verify and payment documentation
- COG indirect-cost changes

# Why MPOs Should Monitor

*The impacts may touch several areas in the planning and delivery process*

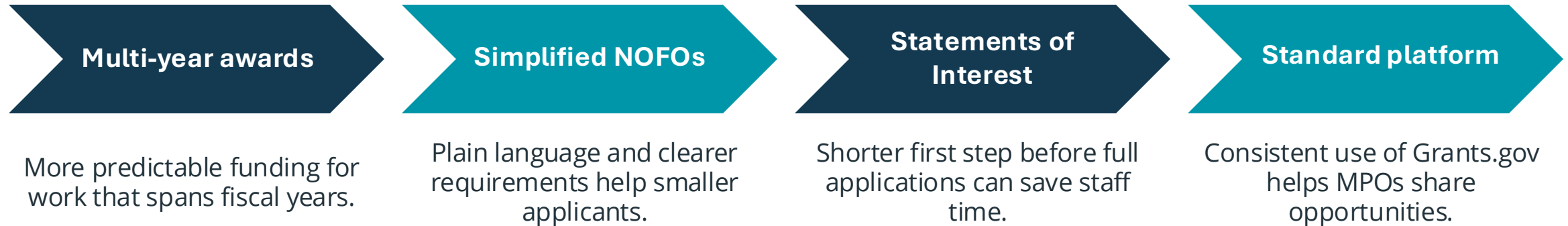


## Key takeaways

- Formula protections stand, but administrative rules may still apply.
- MPOs + COGs (in particular) may feel added documentation and approval requirements
- USDOT, FHWA, FTA, and state DOT implementation will determine the practical effect.

# Streamlining & Simplifying the Grant Process

## Grant Streamlining Provisions



*AMPO supports provisions that reduce unnecessary up-front burden.*

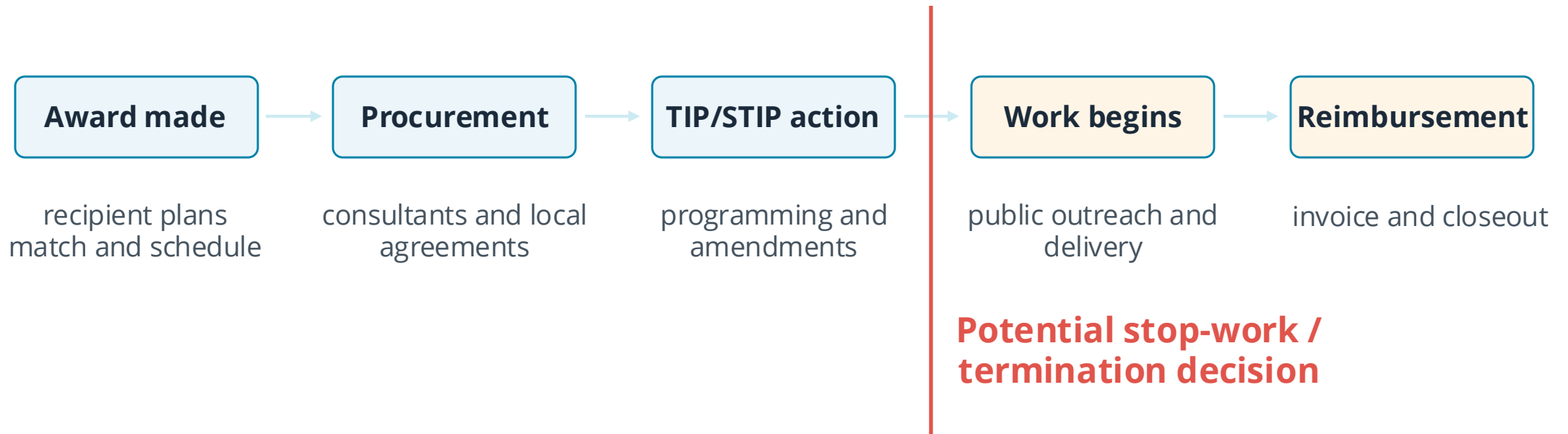
**AMPO recommendation:** retain and strengthen these provisions, and direct USDOT, FHWA, and FTA to implement them in transportation programs wherever legally permissible.

# Summary - Areas of Concern

Concern	Potential MPO impact	AMPO recommendation / clarification
<b>Award stability &amp; project delivery</b>	Discretionary termination, stop-work orders, or senior-level review could disrupt schedules, consultant agreements, match commitments, TIP/STIP actions, and reimbursement.	Require written, award-related explanations; provide notice and opportunity to respond or fix; clarify allowable pre-termination and closeout costs; avoid post-selection delays.
<b>Professional capacity costs</b>	Separate approvals for conferences, memberships, certifications, training, or technical subscriptions could slow staff development and affect federally required planning work.	Allow approval through existing UPWPs, budgets, indirect-cost plans, grant agreements, or similar award documents; permit category approvals.
<b>Reputational-risk standard</b>	A vague subrecipient standard could be interpreted inconsistently by federal agencies, state DOTs, or pass-through entities and create uncertainty for MPO decision-making.	Define the standard; tie it directly to award performance, applicable law, and written findings; protect MPO planning, analysis, and public recommendations.
<b>New administrative requirements</b>	E-Verify, payment-justification, and documentation requirements could create duplicative processes, especially for consultants, contractors, subcontracts, and reimbursement-based MPOs.	Clarify who is covered and how requirements flow down; allow existing invoices, progress reports, timesheets, and state DOT systems to satisfy documentation where sufficient.
<b>COG indirect-cost treatment</b>	COG-housed MPOs may face new timekeeping, cost-allocation, or documentation burdens if simplified indirect-cost treatment is removed.	Retain the COG provision or provide a simplified alternative, transition period, and clear guidance for regional entities.
<b>Communications, outreach &amp; public engagement</b>	Broad restrictions could impact public involvement, safety outreach, Title VI compliance, demographic analysis, recruitment, and communications about transportation investments.	Clarify that required and lawful MPO outreach, public education, demographic analysis, Title VI work, and investment communications remain allowable.

# Concern: Award Stability & Project Delivery

Discretionary termination and stop-work provisions need clearer guardrails.

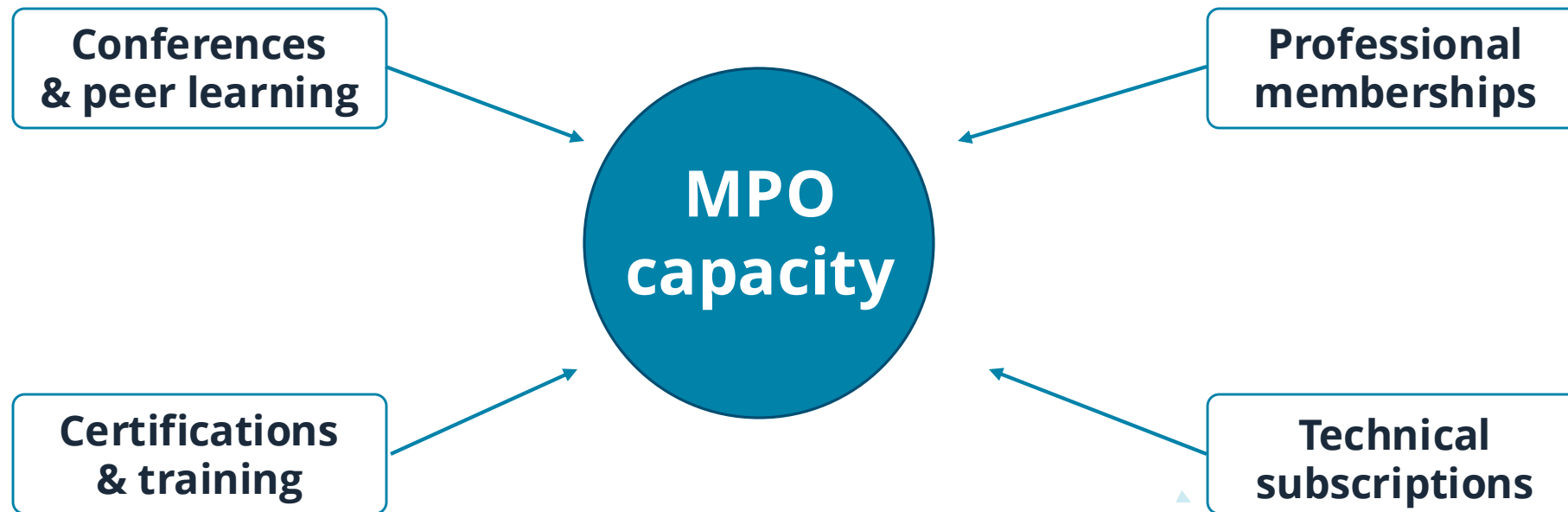


## AMPO recommendations:

- Require written explanations tied to the award.
- Provide notice and opportunity to respond or fix, where possible.
- Clarify treatment of allowable pre-termination costs and unavoidable closeout costs.
- Avoid delays after technical review and selection.

# Concern: Professional Capacity Costs

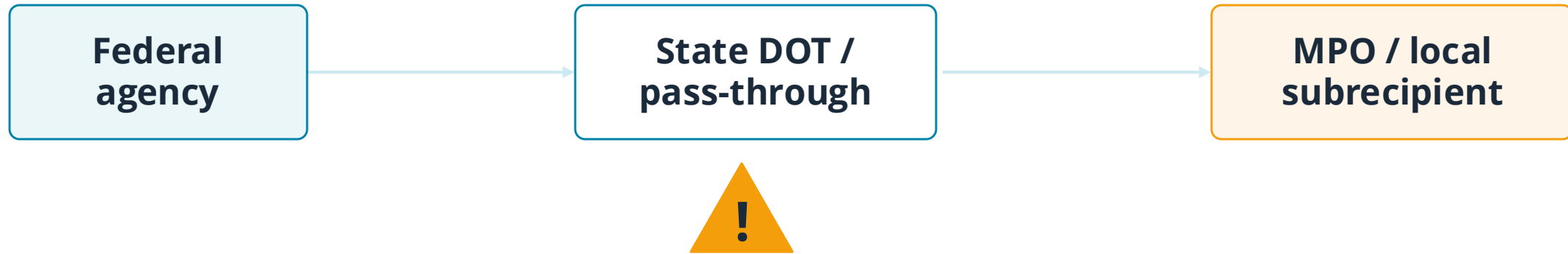
Training, memberships, certifications, and technical resources support federally required work.



**AMPO recommendation:** allow approval through existing documents such as UPWPs, approved budgets, indirect-cost plans, grant agreements, or similar award documents.

# Concern: Award Stability & Project Delivery

*A broad reputational-risk standard could create inconsistent interpretation.*



## **AMPO recommendations:**

- Define “significant reputational damage.”
- Tie any standard directly to award performance and applicable law.
- Require written findings, notice, consultation, and opportunity to respond.
- Clarify that planning and recommendations through MPO processes are not penalized

# Concern: New Administrative Requirements

*Some Implementation details will determine whether safeguards become burdens.*

## E-Verify

Who is covered? How do requirements flow through consultants, contractors, and subcontracts?

**AMPO: clarity + no delay to reimbursement**

## Payment documentation

Can existing invoices, progress reports, timesheets, and state DOT reimbursement systems satisfy the rule?

**AMPO: clarity + no delay to reimbursement**

## COG indirect costs

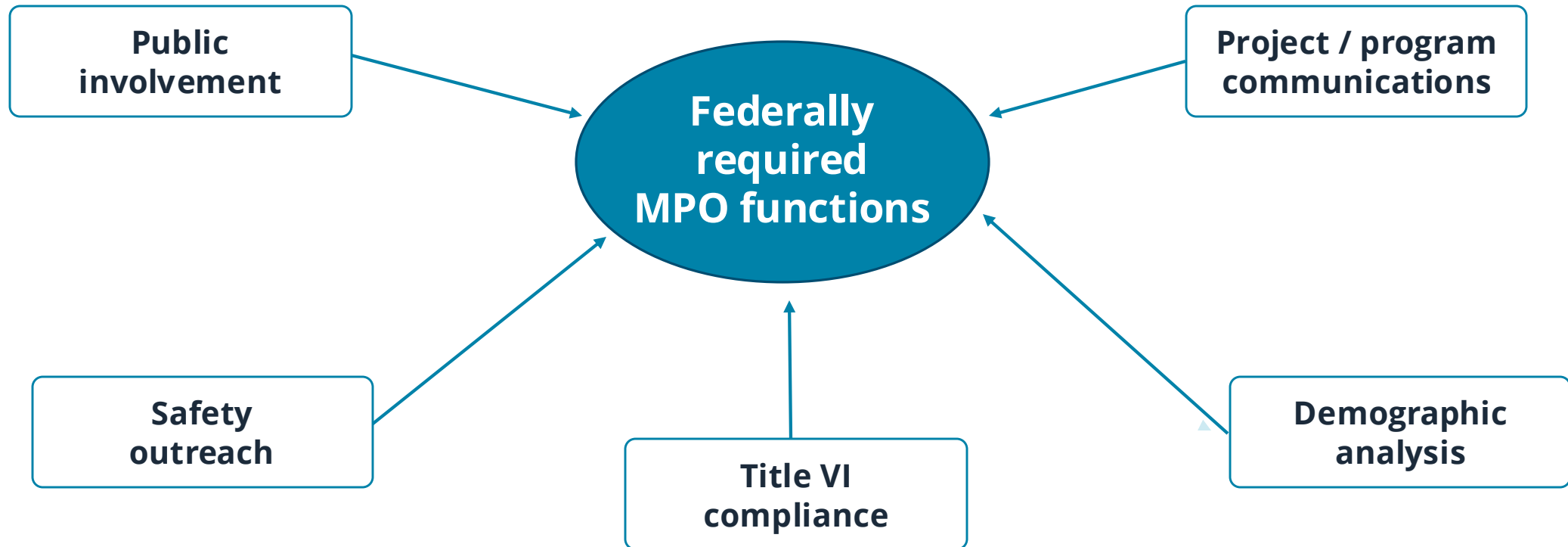
Will COG-housed MPOs lose simplified treatment or face new timekeeping and cost-allocation burdens?

**AMPO: retain COG treatment, clarity + no delay to reimbursement**

**Operating reality:** many MPOs rely on reimbursement and have limited cash reserves. Duplicative documentation can slow work programs and consultant payments.

# Concern: Communications, Outreach, & Public Engagement

*MPOs need explicit assurance that required public-facing work remains allowable.*



**AMPO recommendation:** clarify that this does not restrict public involvement, recruitment related to federally funded work, demographic analysis, Title VI compliance, or communications needed to explain investments.

# AMPO Comment Framework

- Support** — multi-year awards, simplified NOFOs, standardized application processes, and Statements of Interest
- Clarify** — termination, stop-work, senior-level review, cost treatment, and reimbursement expectations
- Preserve** — reasonable professional development, memberships, certifications, technical subscriptions, and COG indirect-cost flexibility
- Narrow** — reputational-risk provisions so they are objective, award-related, and consistently applied
- Direct** — USDOT, FHWA, and FTA to issue transportation-specific guidance, templates, training, and implementation time

## CORE MESSAGE

**Accountability and efficiency should reinforce, not disrupt, effective transportation planning and project delivery.**

# Path Ahead

*Finalize comments, continue member engagement, and prepare for implementation questions.*



**Now**

Collect MPO examples  
and refine comments



**By July 13**

Submit AMPO  
comments to OMB



**After final rule**

Seek USDOT/FHWA/FTA  
guidance



**Implementation**

Help MPOs update  
processes and  
documents

AMPO will continue to elevate MPO implementation concerns while supporting practical reforms that make the federal grants process easier to navigate.

[AMPO OMB Analysis Available Here](#)

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