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Knowledge | Impact | Collaboration

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Regulation for Federal Financial Assistance
Office of Management and Budget
Submitted via www.regulations.gov

RE: Comments of the Association of Metropolitan Planning Organizations on the Proposed Regulation for Federal Financial Assistance

Introduction

The Association of Metropolitan Planning Organizations (AMPO) appreciates the opportunity to submit comments on the Office of Management and Budget's (OMB) proposed Regulation for Federal Financial Assistance, published on May 29, 2026. AMPO is a nonprofit membership organization established in 1994 to serve the needs and interests of Metropolitan Planning Organizations (MPOs) nationwide. Federal highway and transit statutes require the designation of MPOs in urbanized areas as a condition for spending federal highway or transit funds. MPOs are responsible for the planning, programming, and coordination of federal highway and transit investments under guidance by the U.S. Department of Transportation (USDOT), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA).

There are 410 MPOs across the United States. MPOs bring together local elected officials, state departments of transportation (DOTs), transit agencies, local governments, and transportation partners to make regional, performance-based decisions about federal transportation investments. MPOs develop federally required Long Range Transportation Plans (LRTPs), Transportation Improvement Programs (TIPs), Public Participation Plans (PPPs), Unified Planning Work Programs (UPWPs), and help ensure that federal investments reflect regional priorities, public input, fiscal constraint, and national goals.

Context and Summary of Recommendations

AMPO supports OMB's goals of improving transparency, accountability, consistency, and responsible stewardship of federal financial assistance. AMPO also appreciates the proposal's focus on simplifying aspects of the grant process, including multi-year awards, simplified Notices of Funding Opportunities (NOFOs), standardized application platforms, and Statements of Interest before full applications. Additionally, AMPO respectfully requests targeted clarifications to ensure the final rule advances accountability and streamlining while avoiding unintended delays or inconsistent implementation across federal transportation programs. AMPO respectfully recommends that OMB:

OMB Proposal	AMPO Recommendation
Grant streamlining	Retain and strengthen the proposed grant-streamlining provisions, including multi-year awards, simplified NOFOs, Statements of Interest, clearer timelines, and standardized application processes.
Grant termination	Clarify the proposed termination and suspension provisions so recipients and subrecipients have predictable rules, written explanations, and appropriate treatment of allowable costs.
Conferences, memberships, and subscriptions	Preserve reasonable and necessary professional development, memberships, certifications, and technical subscriptions when they support federally required transportation planning and project-delivery work.

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Reputational risk	Narrow the proposed subrecipient reputational-risk provision so it is objective, directly connected to the federal award, and not subject to inconsistent interpretation.
E-Verify and documentation	Provide implementation clarity for E-Verify and payment-documentation requirements while protecting timely reimbursement.
COG indirect costs	Retain, or provide an alternative to, simplified indirect-cost treatment for Councils of Governments (COGs) and regional entities that house MPOs.
Public outreach and communications	Clarify that the final rule does not restrict federally required public involvement, safety outreach, Title VI compliance, demographic analysis, recruitment related to federally funded work, or communications needed to explain transportation investments to the public.
USDOT Guidance	Direct USDOT, FHWA, and FTA to issue transportation-specific implementation guidance and provide a reasonable implementation period.

1. AMPO supports grant-streamlining provisions and recommends transportation-specific implementation [2 CFR 200.202 and 200.204].

AMPO strongly supports OMB's proposal to encourage multi-year awards, simplify NOFOs, use plain language, standardize application platforms, provide clearer timelines, and consider Statements of Interest before requiring full applications. These reforms are consistent with the practical needs of MPOs and other transportation recipients.

Transportation planning and project-development activities often extend across multiple fiscal years. Multi-year awards, where legally permissible, can reduce repetitive paperwork, provide greater certainty, and support more efficient delivery of transportation plans and projects. Statements of Interest can also reduce up-front burden, particularly for smaller MPOs and local governments. Plain-language NOFOs and consistent use of Grants.gov would also help MPOs share funding opportunities with local jurisdictions and regional partners more efficiently.

AMPO recommends that OMB retain these provisions and encourage USDOT, FHWA, and FTA to implement them in transportation programs wherever legally permissible. AMPO also recommends that agencies provide templates, plain-language instructions, and examples showing how these tools will be used.

2. AMPO recommends clarifying the proposed termination provisions to support predictability and orderly project delivery [2 CFR 200.340].

AMPO supports OMB's interest in ensuring that federal funds are used for lawful, effective, and accountable purposes. AMPO also recognizes that federal agencies need appropriate tools to address noncompliance, statutory ineligibility, lack of available funds, or other award-related issues. AMPO respectfully requests that OMB clarify the proposed termination and suspension provisions so they do not create uncertainty for recipients that are complying with the terms of their awards.

Transportation projects and planning activities often span multiple fiscal years. State DOTs, MPOs, and local governments routinely enter consultant agreements, complete procurement steps, amend TIPs and State Transportation Improvement Programs (STIPs), secure local match, and coordinate with multiple levels of government based on executed federal awards. Clear standards are especially important for smaller and rural recipients, which may be less able to absorb stranded costs or project delays if an award is suspended or terminated after work has begun.

AMPO recommends that the final rule require a clear written explanation when an award is terminated or suspended. That explanation should identify the award-related basis for the action and provide recipients

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with reasonable notice and an opportunity to respond or fix, where possible. AMPO also recommends that OMB clarify how allowable costs incurred before termination, and unavoidable closeout costs, will be treated. AMPO also recommends that any additional senior-level review of competitive grants be implemented in a way that avoids unnecessary delay after technical review and selection. Where additional review is required, agencies should provide clear timelines and maintain transparency on how review criteria relate to the statutory purpose and published NOFO criteria for the program.

3. AMPO recommends preserving reasonable and necessary professional development, memberships, certifications, and technical subscriptions [2 CFR 200.432 and 200.454].

AMPO respectfully requests clarification on the proposed treatment of conference attendance, professional memberships, certifications, and subscriptions. For MPOs, professional development is directly tied to federal transportation responsibilities, including fiscal constraint, public involvement, performance-based planning, safety planning, data analysis, procurement, grant management, and TIP/STIP coordination. This is particularly important for MPOs with limited independent local revenue, where federal planning funds may be the primary source available for staff training, professional development, and technical capacity-building.

AMPO supports reasonable oversight of these costs. However, requiring separate federal approval for each conference, membership, certification, or subscription could add administrative steps for recipients, pass-through entities, and federal agencies. It could also delay travel decisions, increase registration or travel costs, limit peer learning, and affect staff retention and professional certifications. Many MPOs already identify professional development and training activities in UPWPs, budgets, or other approved work-program documents.

AMPO recommends that OMB clarify that reasonable and necessary professional development, conference attendance, memberships, certifications, and technical subscriptions remain allowable when they support the federal award or federally required transportation planning functions. Approval should be permitted through existing documents such as an approved UPWP, approved budget, indirect-cost plan, grant agreement, or similar award document. OMB should also allow federal agencies and pass-through entities to approve categories of eligible activities rather than requiring separate approvals or award amendments for each item. AMPO also recommends that OMB clarify the treatment of technical subscriptions and publications. MPOs use local news, industry publications, regulatory updates, and technical resources to monitor infrastructure needs, community concerns, best practices, and federal policy changes that affect transportation planning and project delivery.

4. AMPO recommends narrowing the proposed reputational-risk provision for subrecipients [2 CFR 200.332(i)].

AMPO supports ensuring that subrecipients comply with federal award terms and use federal funds responsibly. However, AMPO recommends that OMB narrow the proposed reputational-risk language in 2 CFR 200.332(i) to avoid inconsistent interpretation by state FHWA division offices, FTA regional offices, and state DOTs. As drafted, the provision does not clearly define significant reputational damage or specify that the conduct must be directly connected to the federal award. MPOs operate through public, transparent, regional, consensus-based decision-making processes. MPO policy boards may make data-driven recommendations that reflect regional priorities and public input. A vague reputational-risk standard could create uncertainty in the state DOT-MPO relationship or be interpreted in ways that affect local and regional priorities unrelated to federal award compliance.

AMPO recommends that OMB either remove the reputational-risk provision or revise it to include objective, award-related criteria. If retained, the provision should apply only to conduct that is directly connected to the federal award, material to award performance, inconsistent with applicable law or award terms, and supported by written findings. The final rule should also provide notice, an opportunity to respond, consultation with the federal agency, and an opportunity to fix issues where possible. OMB should clarify that this provision may not be used to penalize an MPO or other subrecipient for carrying out federally required planning responsibilities, presenting technical analysis, adopting regional priorities through a public process, or making policy recommendations within the scope of federal transportation planning law.

5. AMPO requests implementation clarity and protection of timely reimbursement [2 CFR 200.303(f), 200.303(g), and 200.305].

AMPO supports OMB's goal of preventing improper payments and ensuring compliance with applicable employment eligibility requirements. AMPO requests implementation clarity so recipients and subrecipients can comply efficiently and consistently. Several MPOs already address E-Verify requirements through state, local, employee, consultant, or vendor processes. The final rule should clarify which employees, consultants, contractors, and subcontractors are covered; how requirements flow down to contracts and subcontracts; what documentation must be maintained; and whether existing state, local, or contract-based procedures satisfy the federal requirement.

AMPO also requests clarification on payment documentation and verification requirements. Many MPOs operate on a reimbursement basis and have limited cash reserves. Timely reimbursement is important to maintaining work programs, paying consultants, and avoiding cash-flow disruptions. AMPO recommends that OMB provide implementation guidance and model contract language before any final requirement takes effect. OMB should clarify that payment requests may rely on existing invoices, progress reports, timesheets, work-program documentation, and state DOT reimbursement systems where those materials already describe the award-related work performed. OMB should also direct agencies and pass-through entities to avoid duplicative documentation requirements where existing reimbursement systems already provide sufficient award-related details.

6. AMPO recommends retaining simplified indirect-cost treatment for Councils of Governments or providing an alternative [2 CFR 200.444].

Many MPOs are housed within Councils of Governments (COGs), regional councils, or similar regional entities that serve as the fiscal agent for MPOs. These entities often manage multiple federal, state, and local programs with shared executive, financial, administrative, legal, and human-resources functions. AMPO is concerned that removing the COG-specific simplified indirect-cost treatment could create additional documentation and cost-allocation burdens for regional entities with limited administrative capacity.

AMPO recommends that OMB retain the COG-specific simplified treatment in 2 CFR 200.444. If OMB modifies the provision, AMPO recommends a transition period, simplified alternative methodology, and clear guidance for COG-housed MPOs and regional councils. OMB should also ensure that any treatment of indirect costs does not unintentionally reduce the ability of regional entities to carry out federally required planning, programming, and administrative functions.

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7. OMB should require transportation-specific guidance, training, and a reasonable implementation period [2 CFR 200.101, 200.106, and USDOT implementing regulations].
The proposed rule would apply government-wide, but transportation programs have unique statutory and administrative structures, including formula apportionments, pass-through arrangements, TIPs/STIPs, federal public involvement requirements, conformity, project authorization, and federal-aid highway and transit reimbursement procedures. AMPO recommends that OMB direct USDOT, FHWA, and FTA to issue joint implementation guidance before the final rule takes effect.

That guidance should address how the final rule applies to transportation recipients and subrecipients, including MPOs. It should clarify application to formula funds, discretionary grants, planning funds, pass-through subawards, consultant contracts, existing awards, and work-program-based arrangements. This clarification is important because MPOs and state DOTs use federal transportation funds through a variety of statutory and administrative structures, and implementation requirements may differ across program types.

Additionally, because transportation programs are implemented through a multi-level partnership among federal agencies, state DOTs, MPOs, transit agencies, and local governments, clear national guidance will be important to support consistent implementation. Without additional clarification, the same requirements could be applied differently across FHWA division offices, FTA regional offices, and state DOTs. This may create uncertainty for MPOs and subrecipients as they work to comply with the final rule.

AMPO also recommends that USDOT clarify how the final rule applies to outreach, communications, recruitment, public education, and civil rights-related planning activities. MPOs are required to engage the public, consult with local governments and transportation partners, analyze regional conditions, and explain transportation plans, programs, and investments. These activities may include public meetings, project and program information, safety outreach, recruitment for federally funded work, demographic analysis, Title VI compliance, and communications about transportation needs and federally funded investments.

OMB and USDOT should clarify that the final rule does not prevent MPOs, states, transit agencies, and local governments from carrying out required Title VI compliance, demographic analysis, public participation, safety outreach, public education, recruitment related to federally funded work, and lawful transportation-planning activities. Without clear guidance, recipients and pass-through entities may apply the rule inconsistently or avoid reasonable communications and outreach activities that are central to transparent transportation planning, public accountability, and public understanding of federal transportation investments. AMPO further recommends a reasonable implementation period, model language, templates, and training so MPOs and state DOTs have adequate time to update documents and procedures.

Conclusion

AMPO appreciates OMB's work to improve transparency and efficiency in federal financial assistance. AMPO shares these goals, and MPOs are committed to responsible stewardship of federal transportation funds. AMPO supports the proposed provisions that would streamline grants and reduce burden. AMPO respectfully requests targeted clarifications and technical revisions to ensure that the final rule supports effective implementation across transportation programs.

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AMPO looks forward to continued engagement with OMB, USDOT, and federal partners on implementation of any final rule. Please contact Katie Economou, Legislative Director, at keconomou@ampo.org for additional information.

Sincerely,

William Keyrouze

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Association of Metropolitan Planning Organizations