All4Ed

July 13, 2026

Re: OMB-2026-0034, Office of Management and Budget (OMB) Regulation for Federal Financial Assistance

To Whom It May Concern:

Our nation's young people deserve a clear and reliable path to thrive in learning, work, and life, regardless of their zip code, income, background, or the opinions of the political leaders in our federal government. All4Ed, a national education nonprofit, works "from the classroom to Congress" connecting practitioners and policymakers to strengthen education-to-career pathways that lead young people to meaningful and fulfilling futures and our nation to a strong, prosperous economy. We write today because this proposed rule threatens that promise. It does not merely change how grants are administered; it destabilizes the very pathways that give young people a real shot at the American Dream, and we urge you to withdraw the proposal.

Threat to Multi-year Student Pathways- §200.340(a)(2)

Proposed §200.340(a)(2) would allow a federal agency to terminate a discretionary grant "in part or its entirety" whenever it determines termination serves "the interest of the Federal agency," including situations where an award no longer effectuates "program goals, Federal agency priorities, or the national interest as they exist at the time of the termination." This is a significant expansion beyond current termination authority, which requires a defined basis tied to the terms of the award itself. As written, the proposed standard allows an award to be pulled, not because a grantee failed to perform, but simply because political priorities shifted after the award was made. Notably, Congress has already created a review process in that grants have time limitations and come up for renewal at regular intervals that allows for shifting priorities to be accommodated in a way that allows schools, districts, and state leaders to plan and react. This change, therefore, does not solve for anything, it merely introduced unpredictability that will lead to less innovation and fewer opportunities for states to direct resources.

Countless programs that support learners ranging from supports for students from low-income families under Title I of the Elementary and Secondary Education Act (ESEA), to Career and Technical Education (CTE) pathways programs under Perkins, to workforce programs administered by the Department of Labor (DOL), and countless others are built on multi-year trajectories. TRIO programs, which are central to supporting young people in every community across the country, and have well-deserved bipartisan support, could be decimated with little notice, explanation, or ability for stakeholders to voice concerns. A sixth grader who enters a TRIO program that opens the door for her to attend college and eventually return to her rural community as a physician, and a high school freshman who enters a CTE pathway program that will allow him to fill a key industry need in his town, both expect, and deserve, continuity, not a program that could vanish the following school year.

School districts, community-based organizations (CBOs), and intermediaries cannot responsibly hire career coaches, sign facility leases, partner with local employers, or promise students a pathway to college and career if funding can be pulled at will. This will lead to grantees designing smaller, shorter-term programs that do not improve outcomes, rather than the sustained interventions, like multi-year literacy supports, long-term mentoring, and sequenced career pathways programs, that we know move outcomes and transform communities, but more importantly strengthen the lives of young people that have been traditionally underserved or underrepresented in such efforts.

OMB has a long history of strong management and oversight, but that oversight always comes with due process. We urge OMB to maintain a system that, currently, requires cause, notice, and an opportunity to cure before termination, not unilateral discretion.

Prohibitions Cut Learners Who Need the Most Support- §200.300 and §200.218
Proposed §200.300 would prohibit federal financial assistance from supporting activities characterized as diversity, equity, and inclusion, and proposed §200.218 would bar consideration of disparate impact in program design and evaluation. Read literally, these provisions would require statutory redesign of critical programs across education and workforce.

These programs do not exist as generic services distributed evenly across all students. Congress designed them specifically to reach students who start from a position of disadvantage. For example, Title I programs are required to direct resources to schools serving high concentrations of children from low-income families. Perkins V requires states and local recipients to identify and address performance gaps for special populations, including students with disabilities, and those from low-income families. The Rural Education Achievement Program (REAP), under Title V-B of ESEA, exists because small, rural, and low-income school districts are often unable to compete effectively for other federal formula and competitive funds, and it directs resources to address that structural disadvantage. Impact Aid, under Title VII of ESEA, exists because districts serving military families and other federally connected students lose local property tax revenue due to a federal presence in their community, most often a military installation, and would otherwise be shortchanged through no fault of their own. In each case, identifying which students or communities are disparately affected, and directing resources accordingly, is not incidental to the program. It is the program's legal purpose.

A rule that threatens measurement of outcomes by income, race, disability status, English learner status, rural geography, or federal impact status as prohibited "DEI" activity would make it functionally impossible for grantees, and the American taxpayers and their representatives, to know whether Title I dollars are reaching the students Congress intended or whether a Perkins pathway is closing completion gaps. Stripped of key data, school districts and community organizations lose the ability to target resources to those with the greatest need or demonstrate whether the programs are working at all, undermining the very accountability OMB says this rule is meant to strengthen. Data, accountability, and transparency should be the foundation of all federal spending, and we encourage OMB to withdraw any proposed rule that would bar lawmakers and taxpayers from ensuring funding is impactful and effectively those to whom it is directed.

People Not Politics- §200.205

As leaders, your charge is to protect our nation's interests and resources, none more precious than our future, our young people. Tying federal programs to political appointee review—rather than a rigorous peer-reviewed process grounded in research and evidence—creates a system that is harmful regardless of which side of the aisle you sit on. From one appointee to the next, personal priorities differ. Meaning two grantees, one in suburban Connecticut and one in central Texas, running the same program could see different continuation decisions based on arbitrary measures, personal biases, or political affiliation. While Washington, DC sees large-scale shifts between political administrations, those outside of the Capital Beltway don't live their lives in four-year increments. Our districts, state leaders, industries, and families, rely on federal politicians to create transparent and stable programs on which they can rely. Without this stability, schools in particular are unable to make critical pathways partnerships and deliver the innovation our business leaders and economy are demanding, leaving not only our students, but the future of our nation's economy and international competitiveness in question.

Many career pathways programs are administered by school districts and occupy a unique space in which they rely on funding from multiple agencies, including the Departments of Education, Labor, Agriculture, Health and Human Services, and State. This rule has such a broad scope within a single government action that it does not give districts, or the CBOs, intermediaries, institutions of higher education, and employers they partner with time to react or adjust. Moreover, one agency could make a decision about a program and abruptly end a grant that pays for a portion of services where another agency's review of the same program leaves it whole.

The instability this proposal presents is not just about dollars and cents. It is about young people, their futures, and the caring adults who support their progress. Countless people would be harmed by such an action, and the results will be immediately painful and have long-term impacts on our future workforce, our future economy, and our future ability to compete globally. We urge you to withdraw this request; our future doctors, tradespeople, leaders, and innovators deserve better.

We respectfully urge OMB to:

- Withdraw or substantially narrow §200.340(a)(2), replacing unilateral discretionary termination authority with a requirement for documented cause, advance notice, and a meaningful opportunity to cure before any award supporting student services is terminated.
- Clarify that §200.300 and §200.218 do not override statutory equity mandates in Title I, Perkins V, the Higher Education Act's TRIO provisions, ESEA Title V-B (REAP), and ESEA Title VII (Impact Aid), and preserve grantees' ability to collect and report the outcome data these statutes require.
- Preserve the binding role of career program officers and peer/merit review under §200.205, ensuring political appointees cannot override expert recommendations without a documented, program-specific finding.
- If the rule is finalized, provide a transition period for programs serving students mid-pathway, so multi-year commitments to students already enrolled are not disrupted mid-cycle.

If you have any questions regarding these comments, please contact Rebeca Shackleford (rshackleford@all4ed.org).

Respectfully,

All4Ed