NCSHPO | National Conference *of* State Historic Preservation Officers

July 9, 2026

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

Re: OMB Proposed Rule

Dear Director Vought,

On behalf of the National Conference of State Historic Preservation Officers (NCSHPO), I submit the following comments in response to the Office of Management and Budget's proposed revisions to 2 CFR Part 200, published on May 29, 2026.

State Historic Preservation Officers (SHPOs) serve as trusted stewards of our nation's historic and cultural resources and are responsible for implementing a wide range of federally authorized preservation programs in partnership with federal agencies, Tribal governments, local communities, and private stakeholders. Because responsibilities within their purview depend upon stable, predictable, and transparent federal grant administration, we have significant concerns regarding several aspects of this proposed rule.

While presented as an effort to modernize federal grants management, the proposed revisions collectively increase executive discretion over funding decisions, expand administrative and compliance obligations, and accelerate implementation of future regulatory changes. Taken together, these changes risk introducing greater uncertainty into federal grantmaking and would make it more difficult for SHPOs to effectively carry out their congressionally mandated responsibilities under the National Historic Preservation Act (NHPA), supported through the Historic Preservation Fund (HPF).

Executive Discretion and Funding Stability
This proposal would substantially expand executive discretion over grant awards lawfully appropriated by Congress by requiring greater alignment with current Administration priorities, while also broadening agencies' authority to suspend or terminate awards and modify funding decisions.[1]

SHPOs rely on predictable, multi-year federal funding to support staffing, long-term planning, project sequencing, and program continuity. Increasing the degree to which funding decisions may shift with changing executive priorities creates uncertainty for state preservation programs, local governments, nonprofit partners, and private investment that depend upon consistent federal participation in this longstanding partnership.

Preservation programs are most effective when grant decisions are grounded in clear statutory authorities, established program criteria, and long-term planning rather than evolving policy priorities. We encourage OMB to preserve these longstanding principles.

Administrative Burden and Program Delivery

The proposed revisions would significantly expand documentation, reporting, monitoring, conflict-of-interest, and stewardship requirements while increasing oversight responsibilities for pass-through entities administering federal subawards.[2]

For SHPOs, these changes would substantially increase administrative workload across multiple federal preservation programs while reducing available staff capacity for preservation planning, technical assistance, project review, and direct support to local communities.

The impacts also extend beyond state agencies, with SHPOs administering subawards to Certified Local Governments (CLGs), nonprofit organizations, and other preservation partners that, likewise, often operate with limited administrative capacity. Additional compliance requirements imposed on pass-through entities ultimately translate into increased burdens for these local recipients, potentially reducing participation in preservation grant programs and diverting resources away from preservation activities themselves.

Because HPF grant funding is largely reimbursement-based, additional documentation and oversight requirements also increase the likelihood of slower reimbursement and payment processing. The delay in distribution of congressionally appropriated FY25 HPF SHPO funds demonstrated the practical consequences of funding uncertainty; including postponed projects, delay of pass-through grant awards, disruption of local preservation efforts, staffing instability, and layoffs. Administrative delays can also negatively affect Tribal preservation partnerships carried out pursuant to the federal trust responsibility and, in some cases, contribute to adverse effects on historic properties while delaying economic development, revitalization efforts, and reducing positive preservation outcomes.

Additionally, the proposed restrictions concerning diversity, equity, and inclusion activities are likely to create uncertainty for preservation initiatives that seek to document, interpret, and preserve the full breadth of the American experience. Historic preservation routinely involves recognizing places associated with historically underrepresented communities as part of telling an accurate and complete national history. Ambiguity surrounding these provisions may discourage otherwise appropriate preservation activities and public history efforts.[3]

Regulatory Flexibility and Professional Capacity

The proposed rule would allow future revisions to the Uniform Guidance to become effective without separate agency rulemaking, reducing the transition period available for recipients to implement new requirements.[4]

Given the complexity of federal preservation programs and the coordination required among federal agencies, SHPOs, Tribal governments, Certified Local Governments, and other partners — adequate implementation time is essential. Accelerated regulatory changes increase the risk of inconsistent interpretation across agencies and create additional challenges for already capacity-constrained preservation offices.

Further, proposed limitations on allowable membership and subscription costs could restrict participation in professional organizations that provide technical guidance, training, best practices, and coordination among preservation practitioners.[5] These professional resources promote consistency in federal program implementation, improve administrative efficiency, and strengthen stewardship of federal investments in historic preservation.

Cumulative Impact

Each proposed revision addresses a different aspect of federal grants management, but their cumulative effect is significant. Greater discretion over awards, expanded compliance obligations, increased administrative oversight, and more frequent regulatory changes would collectively create additional uncertainty throughout the preservation grant system.

For SHPOs, these impacts are not isolated. Federal funding, consultation responsibilities, subgrant administration, and technical assistance operate as an integrated ecosystem supporting preservation activities nationwide. Changes affecting each component simultaneously reduce organizational capacity, complicate long-term planning, and diminish the effectiveness of preservation programs authorized by Congress.

NCSHPO supports efforts to improve accountability, transparency, and stewardship in federal grants management. However, those objectives should be achieved while preserving stable, predictable, and merit-based grant administration that enables state and local partners to fulfill their statutory responsibilities effectively.

We respectfully encourage OMB to revise the proposed rule to preserve established merit-based award principles, maintain predictable funding structures, minimize unnecessary administrative burdens, provide sufficient implementation time for future regulatory changes, and ensure that SHPOs and their partners can continue carrying out congressionally authorized preservation responsibilities without unnecessary disruption.

Thank you for the opportunity to submit these comments. We appreciate your consideration and welcome continued engagement as OMB moves forward with this rulemaking.

Respectfully,

Erik Hein
Executive Director, NCSHPO

[1] Proposed revisions to 2 CFR §§ 200.202, 200.204–200.206, and 200.340.
[2] Proposed revisions to 2 CFR §§ 200.112–200.113, 200.218–200.220, 200.300, 200.305, 200.329–200.332, and 200.400–200.476.
[3] Proposed revision to 2 CFR § 200.300.
[4] Proposed revisions to 2 CFR §§ 200.106 and 200.110.
[5] Proposed revision to 2 CFR § 200.454.

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