Tribal Interior Budget Council
OMB Updates (2 CFR 200)
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OMB Updates (2 CFR 200)



Background

On May 29, 2026, the Office of Management and Budget (OMB) published proposed revisions to 2 CFR Part 200, the government-wide regulations governing Federal financial assistance. The proposed changes shift key provisions from guidance to regulation and introduce new requirements affecting program design, NOFO structure, risk assessment, terms and conditions, post-award monitoring, and allowable costs. While many revisions apply to all recipients, several provisions may have particular implications for Tribal governments receiving Federal financial assistance outside of an Indian Self-Determination and Education Assistance Act (ISDEAA) contract, compact or agreement.

The comment period closed July 13, 2026, with nearly 500,000 comments collected. OMB is currently analyzing comments submitted during the public comment period and determining what revisions, if any, should be reflected in the final rule.

- H.R. 6500 Continuing Appropriations Act, 2027, included a provision that prohibits OMB from issuing or finalizing the proposed rule until after December 11, 2026.

Proposed Revisions to 2 CFR 200



ISDEAA & Federal Statutes

- Clarifies that Federal statutes take precedence over 2 CFR Part 200 when conflicts exist.
- Continues recognition of ISDEAA, helping preserve statutory authorities governing self-determination contracts and self-governance agreements.

Additional Indian Affairs Notes

- ISDEAA is not Federal Financial Assistance.
- Grants and Cooperative Agreements Act does not apply to actions under ISDEAA (see GAO decision B-222665, July 02, 1986). https://www.gao.gov/products/b-222665
- ISDEAA actions are not subject to approval requirements outlined in Executive Order (EO) 14332.

Proposed Revisions to 2 CFR 200



Pre-Award Process

- All discretionary funding opportunities must be posted to Grants.gov with a minimum 30-day posting period unless justified.
  - For both competitive and non-competitive.
- All discretionary applications must be submitted via grants.gov (unless statute exception).
- Paper submissions are no longer allowed unless authorized by statute.

Fixed-Amount Awards

- Eliminates most fixed-amount awards unless specifically authorized by statute.

Proposed Revisions to 2 CFR 200



Recipient Oversight & Administrative Requirements

- Expands government-wide requirements related to recipient oversight, risk assessments, payment integrity, and subrecipient and contractor monitoring.
- May increase administrative responsibilities associated with managing Federal awards.

General Government Costs

- Clarifies that general governmental expenses including certain executive, legislative, judicial, and governmental functions remain unallowable unless directly attributable to a Federal award or otherwise authorized by statute.
- May affect how Tribes allocate shared governmental and administrative costs to Federal awards.

Proposed Revisions to 2 CFR 200



Award Suspension & Termination

- Expands agency authority to suspend or terminate discretionary awards when they no longer align with program objectives, agency priorities, or the national interest.
- May affect Tribal awards supporting ongoing governmental services where continuity of funding is critical.

Key Considerations for DOI

- Ensure implementation remains consistent with Tribal-specific statutes, treaty obligations, and the Federal trust responsibility.
- Clearly identify when Tribal statutory authorities supersede general requirements in 2 CFR Part 200.
- Consider the potential administrative impacts and increased costs on Tribal governments as agencies develop implementation guidance.

BABA Updates



Build American, Buy American (BABA) Updates

- Only applies to 2 CFR 200 awards, ISDEAA is already exempt.
- Requires all iron, steel, manufactured materials used for infrastructure

Projects under Federal financial assistance awards be produced in USA.

- **BABA Framework & Waivers**
  1. Iron/Steel – Covered under master waiver – waiver expires 01/09/2030
  2. Construction Materials (e.g. Lumber, Sheet Rock, Plastic, Fiber Optic) – Covered under master waiver – waiver expires 01/09/2030
  3. Manufactured Products (expiring waiver in question)

BABA Waiver Information

- Master waiver effective January 10, 2025 – January 9, 2030
- Tribal Consultations held 2022-2024
  - September 21, 2022: Nine (9) federal agencies hosted by White House Council on Native American Affairs
  - 2022 – 2024: Agencies hosted consultations – Approximately 18 total consultations were held
- Applies to Indian Tribes, Tribal organizations, Tribal entities, and Native Hawaiian organizations.
- Waiver is good for the life of the award.

BABA Updates



BABA Waiver Information

- DOI takes part in a multi-agency Tribal BABA waiver.
- Waiver is 5-year, general applicability, public interest waiver of BABA requirements awarded to Tribal organizations.
- Applies to awards and subawards at or below $2.5 million – life of the award.
- Waiver permits Tribes to purchase non-BABA compliant manufactured products, regardless of $$.
- Overall waiver is in effect until January 9, 2030.
  - Manufactured product waiver was set to expire on 09/30/2026 > in place until extension is approved or 12/31/2026 > Pursuing an additional 90-day extension.

Manufactured Product Waiver Timeline

Draft Notice Posted	Oct 23 – Nov 22	Post Final Waiver*	Dec 8, 2026
Analyze Public Comment	Nov 23-27	Waiver Expiration	March 8, 2027
OMB Determination	Dec 3	*Waiver is only for 90 days	

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Point of Contact

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QUESTIONS?