Brooke E. Lierman
Comptroller of Maryland

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News Release

Comptroller Lierman Urges OMB to Withdraw Proposed Federal Grants Rule

Comptroller warns proposal would politicize federal grantmaking, weaken accountability, and put billions in Maryland funding at risk

ANNAPOLIS, Md. (July 14, 2026) — Comptroller Brooke E. Lierman yesterday submitted formal comments during the Office of Management and Budget's (OMB) public comment period urging the agency to withdraw a proposed rule that would fundamentally reshape how federal grants are awarded and administered.

In comments submitted to OMB Director Russell Vought, Comptroller Lierman warned the proposal would replace longstanding merit-based grantmaking with political decision-making, weaken independent oversight, and create significant uncertainty for Maryland communities that rely on federal funding.

"Maryland relies on billions of dollars in federal grants to support critical services, strengthen our economy, and improve the lives of people across our state," said **Comptroller Brooke E. Lierman**. "This proposal would replace decades of merit-based grantmaking with political decision-making, allowing grants to be awarded or terminated based on shifting political priorities rather than expertise or community need. That is a fundamental change that threatens Maryland communities. I urge OMB to withdraw this proposal and work collaboratively with states on reforms that strengthen transparency and accountability without undermining public trust."

In her comments, Comptroller Lierman warned that the proposed rule would give federal agencies broad new authority to terminate grants without findings of fraud or noncompliance, while allowing political appointees to play a greater role in determining which discretionary grants receive funding based on presidential policy priorities rather than scientific, technical, and programmatic expertise. She argued that these changes would undermine the longstanding merit-based grantmaking process that states, nonprofits, and research institutions rely upon.

Comptroller Lierman also raised concerns that the proposal would weaken established audit and internal control standards designed to safeguard taxpayer dollars while imposing new administrative requirements on states and nonprofit organizations. She warned that the combined effect would make multi-year federal funding less predictable, creating uncertainty for Maryland agencies and the communities they serve.

Maryland ranks 18th in the nation by population but is sixth in federal government jobs. Prior to 2025, Maryland state and local governments and nonprofits received $30.6 billion through federal grants and cooperative agreements.

Read the Comptroller's full comments.

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