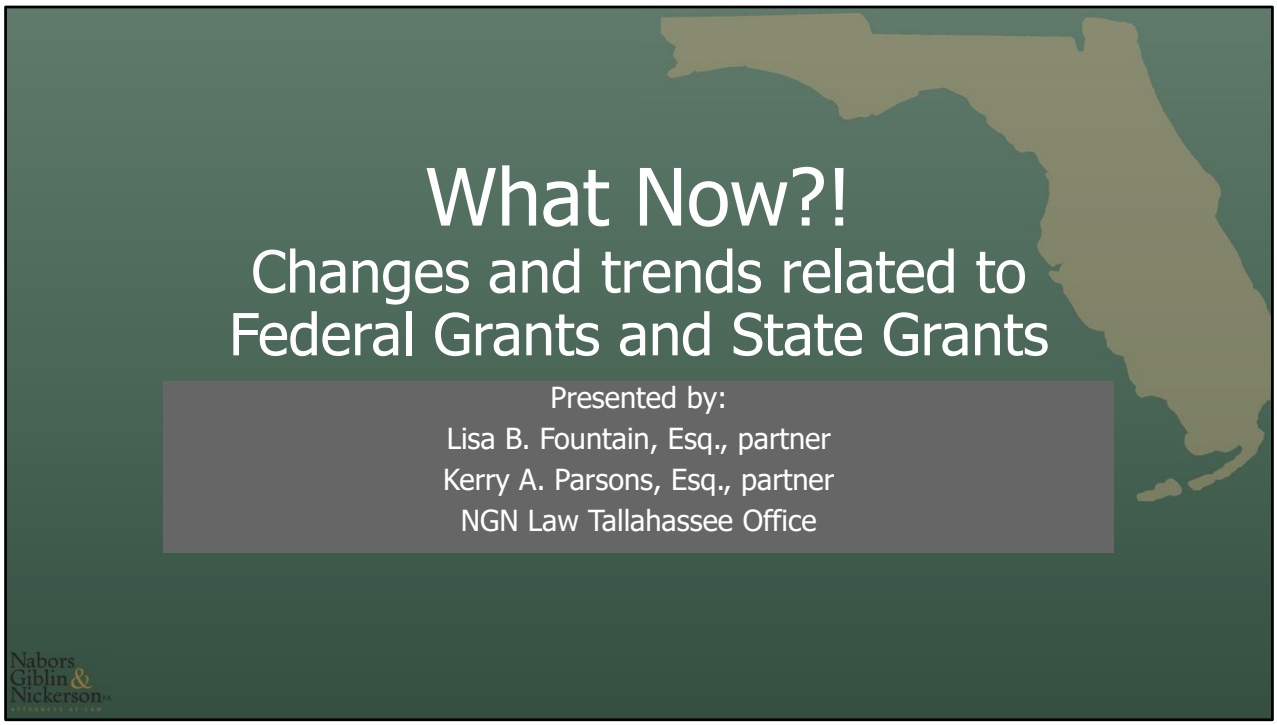
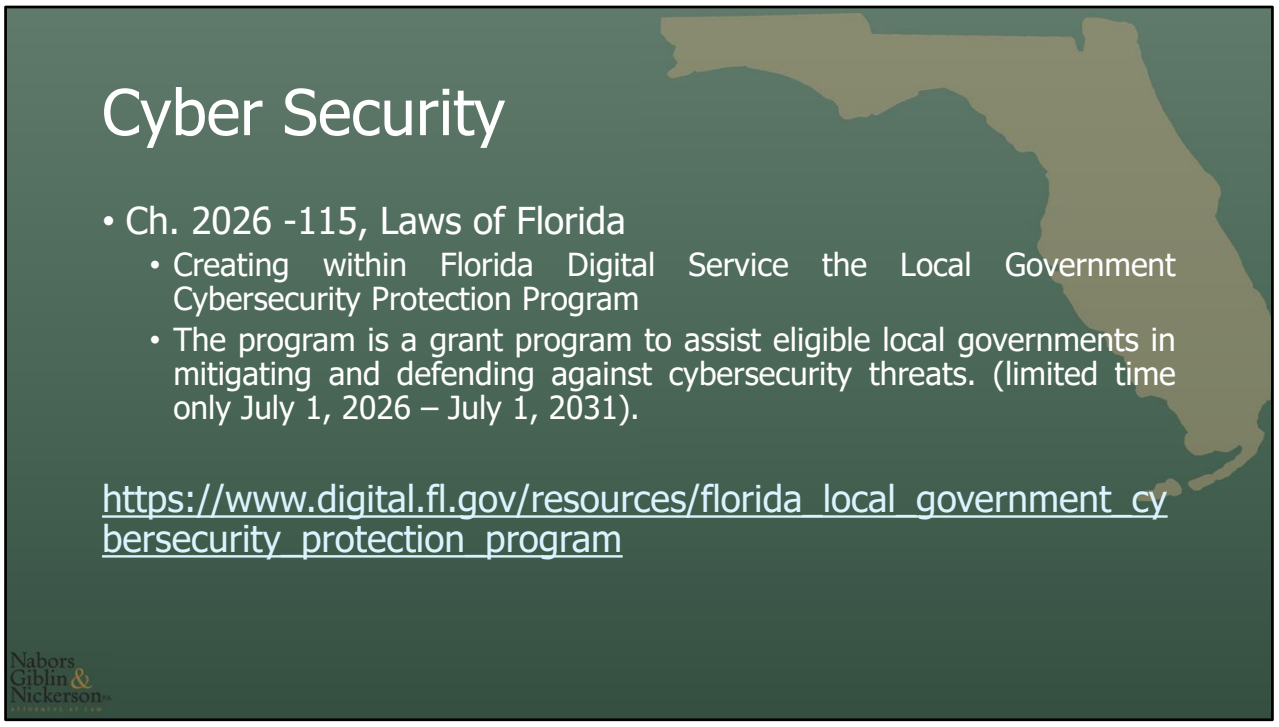


Good afternoon, today we have the pleasure of presenting to you on grants. Grants are always a great alternative revenue source. In this presentation we are going to highlight new grant opportunities that came out to the 2026 Florida Legislative Session, touch upon the new state requirement related to grants and DEI Certifications, we will touch on the state standardization that is going on with disaster recovery, changes on the horizon for Federal grants, and trends in case law this last year related to Federal grants.

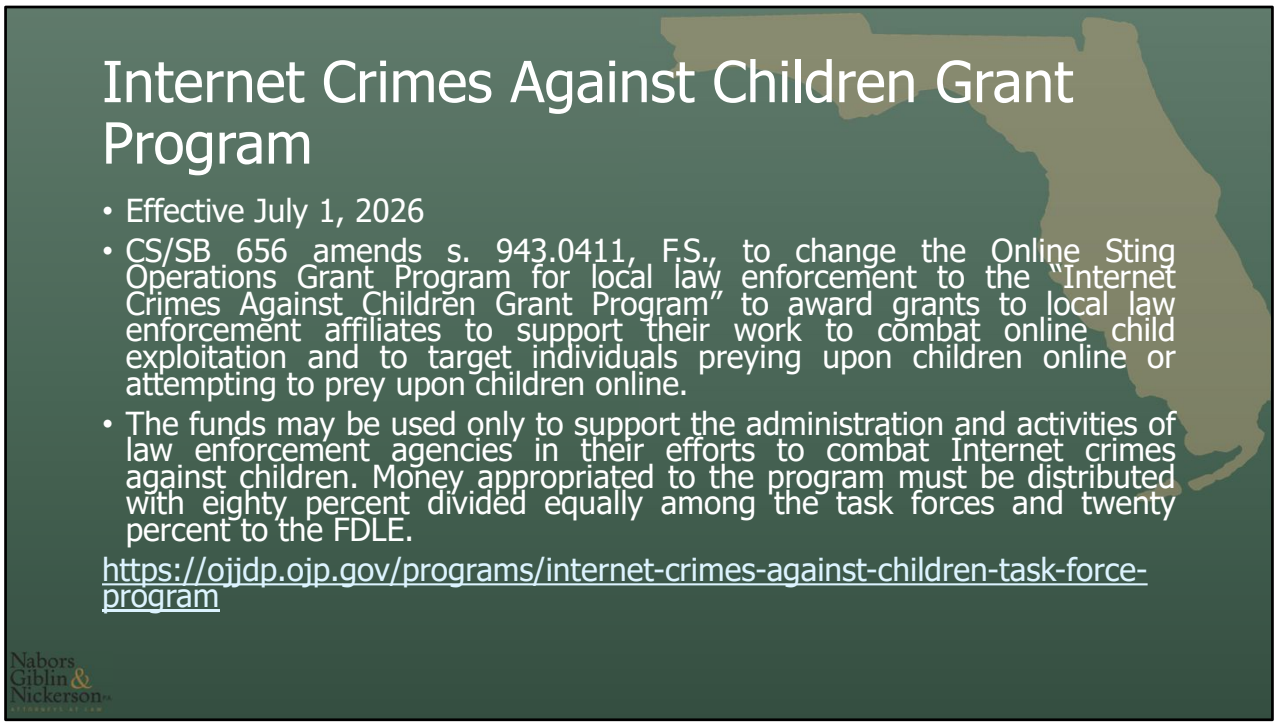


First up we will touch upon the new grant opportunities that came out of the 2026 Florida Regular Legislative Session. We are highlighted them just so you know they are out there and available for your county or municipality to explore.



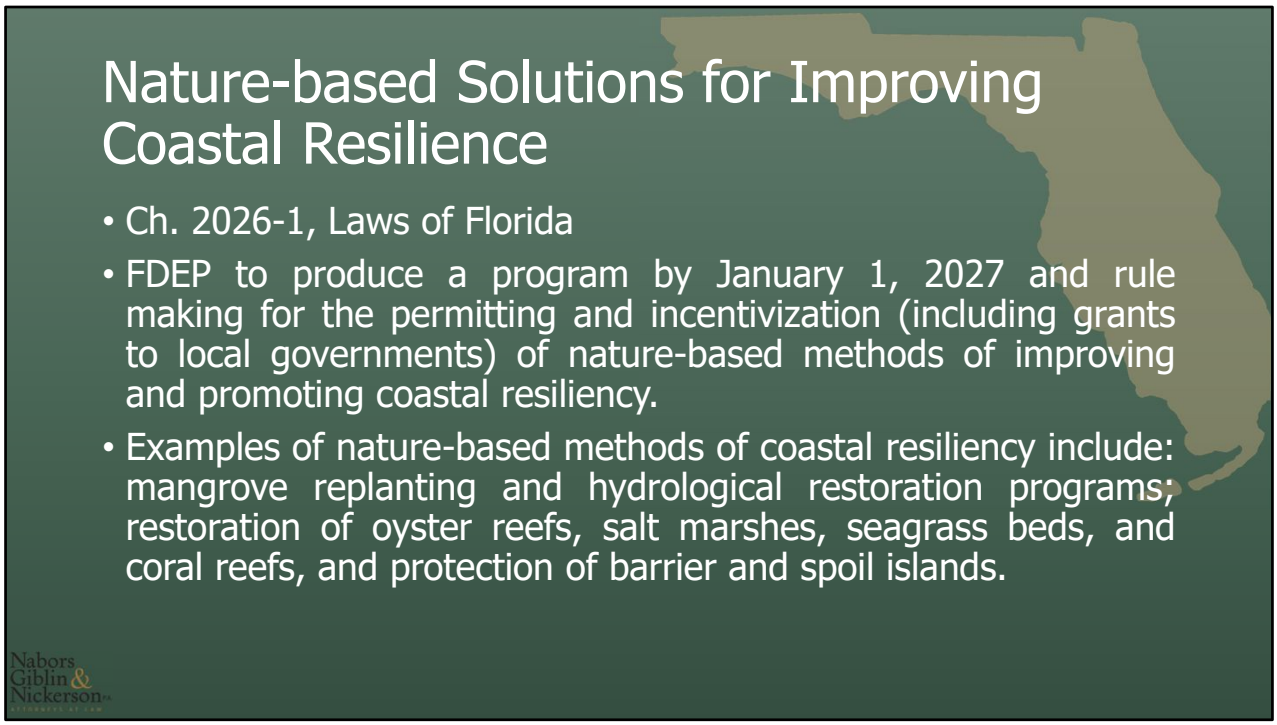
This year the Legislature created within the Florida Digital Service Department the Local Government Cybersecurity Protection Program. The program establishes grants for local governments to assist with cost related to mitigating and defending against cybersecurity threats. The hyperlink to the program site is in the link on the slide. The receiving of applications for this fiscal year is closed and award notifications are going out on December 1st, but this grant program is going to continue until July 1, 2031 so there is time to apply for the next few fiscal years.

There is a strong emphasis on awarding funds to fiscally constrained counties, but all are welcome to apply. Rather than issuing direct funding, the Florida Digital Service will procure cybersecurity solutions directly on behalf of the award applicants and there is no local match. The grant is designed to support the delivery of new or expanded capabilities, and will not subsidize payments for tools, services or contracts already in place.



This grant opportunity is geared toward law enforcement such as your Sheriff's offices and your municipal police departments. The Legislature changed the Online Sting Operations Grant Program to the Internet Crimes Against Children Grant Program. It expands the use of these funds and grants are awarded to local law enforcement affiliates to support the work of combating online child exploitation and to target individuals preying upon children online or attempting to do so.

On the slide is the website for that.

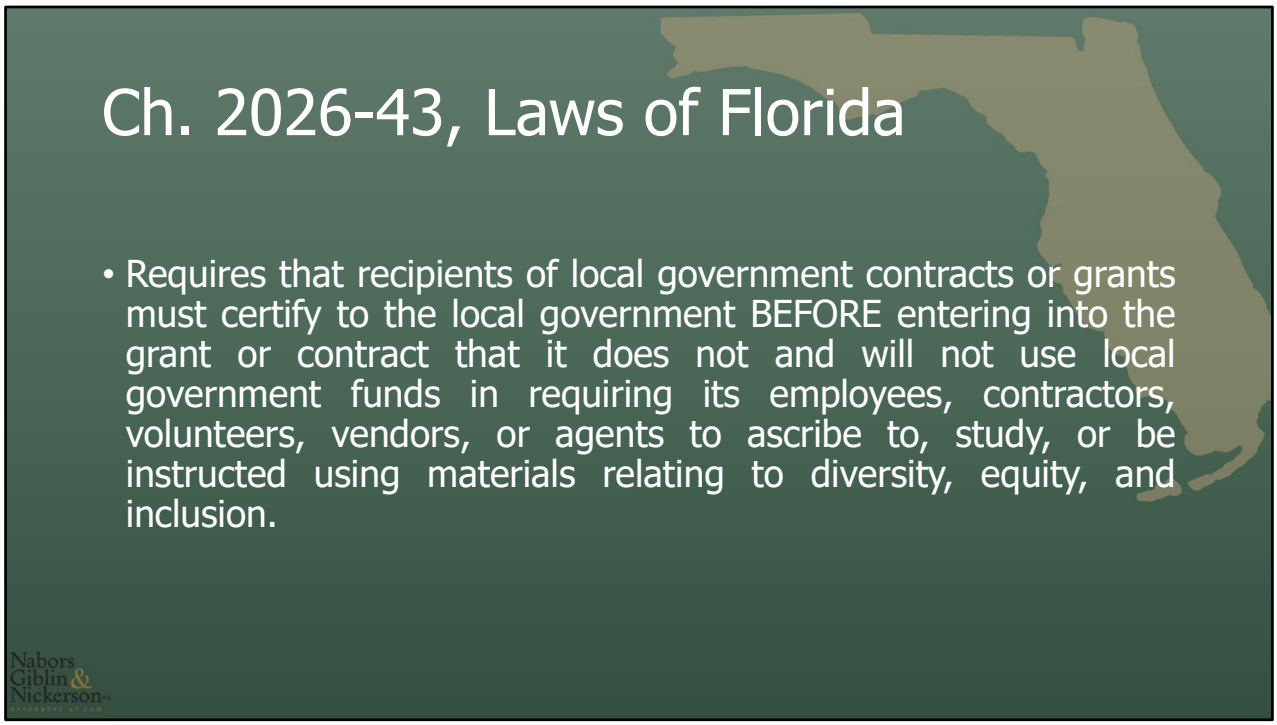


The third grant opportunity that the Legislature put in place to focus on local government funding is a program, that will be produced by January 1, 2027 by FDEP to provide grants, permitting and incentives for nature-based methods of improving and promoting coastal resiliency.

Examples provided by the legislature and FDEP include: living shorelines, mangrove restorations, wetland and dune restorations, oyster reefs and seagrass restorations. We anticipate seeing something from FDEP at the beginning of next year which will shed light on exactly what will be encompassed and required to obtain grants for local governments working on these projects so something to keep on your radar.



We are now going to move onto the new DEI certification requirements that the Florida legislature put in place this year.



During the 2026 Florida regular legislative session, the Florida legislature adopted ch. 2026-43 Laws of Florida. I am sure most of you are already becoming familiar with this new law, but to summarize, the new law prohibits any official actions of counties or municipalities relating to diversity, equity, and inclusion. Local governments are prohibited from funding or promoting directly or indirectly, or taking any official action, including, but not limited to, the adoption or enforcement of ordinances, resolutions, regulations, programs, or policies, as it relates to diversity, equity and inclusion. All existing policies are null and void.

For purposes of grants, I want to focus on one particular component of the new legislation which is the creation of s. 287.139, Florida Statutes. The new law, effective January 1, 2027 requires that a potential recipient of a county or municipal contract or grant shall certify to the local government before being awarded such contract or grant that the potential recipient does not and will not use county or municipal funds in requiring its employees, contractors, volunteers, vendors, or agents to ascribe to, study, or be instructed using materials relating to diversity, equity, and inclusion as defined under the law.

So your local government will need to make sure that it comes up with a new certification that is signed by subrecipients prior to being awarded any grants by the

local government.

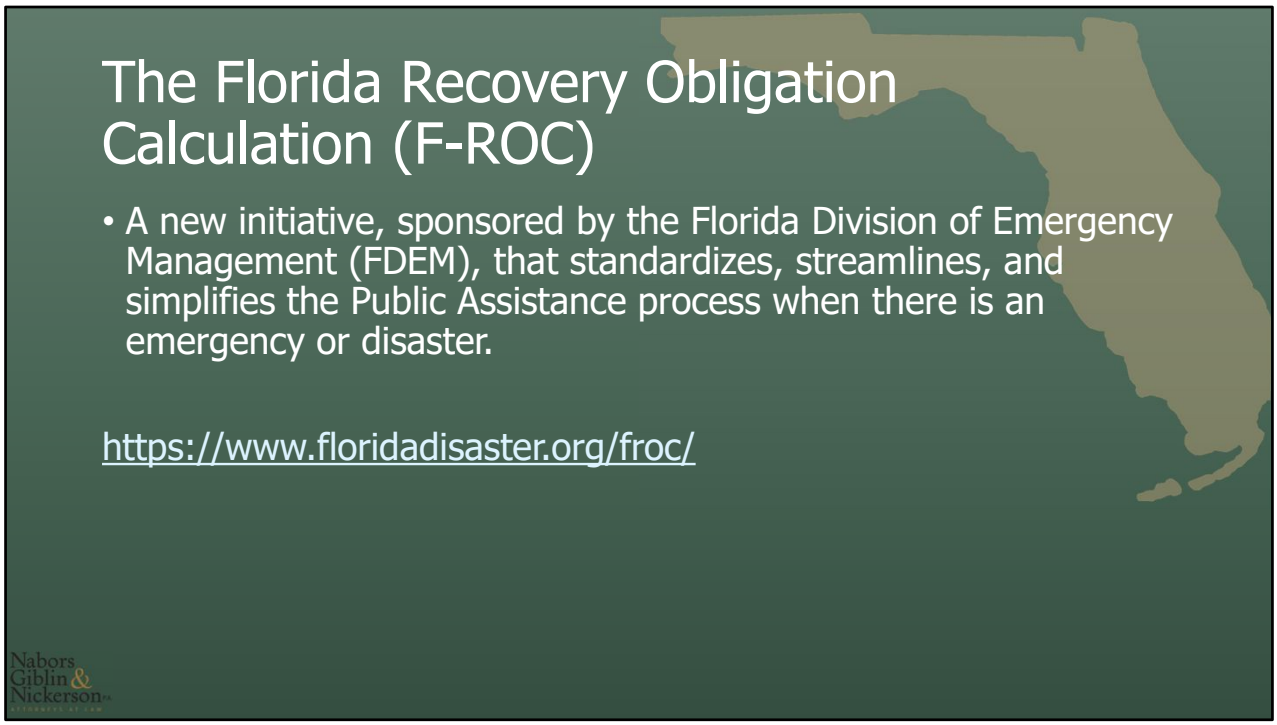
Definition of diversity, equity and inclusion.

(b) “Diversity, equity, and inclusion” means any effort to:
1. Manipulate or otherwise influence the composition of employees with reference to race, color, sex, ethnicity, gender identity, or sexual orientation other than to ensure that hiring is conducted in accordance with state and federal antidiscrimination laws;
2. Promote or provide preferential treatment or special benefits to a person or group based on that person’s or group’s race, color, sex, ethnicity, gender identity, or sexual orientation; or
3. Promote or adopt training, programming, or activities designed or implemented with reference to race, color, sex, ethnicity, gender identity, or sexual orientation.
The term does not include the use of equal opportunity or equal employment opportunity materials designed to inform a person about the prohibition against discrimination based on protected status under state or federal law.



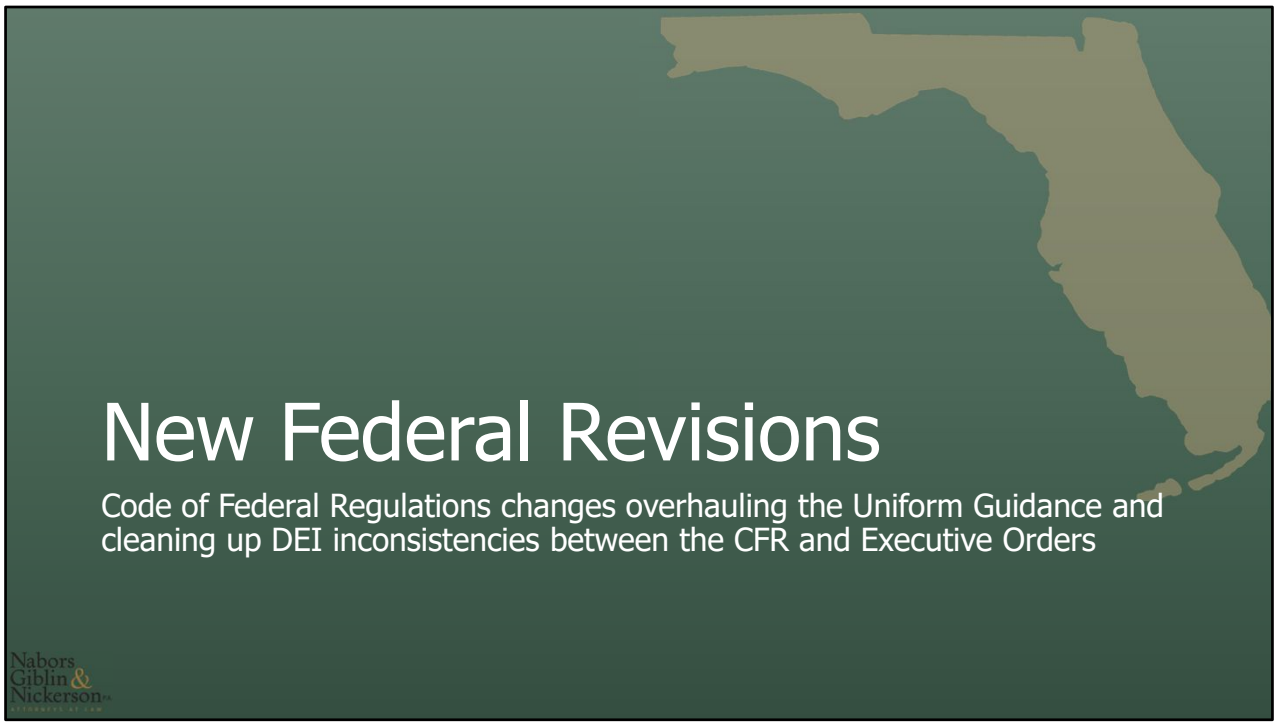
The next topic has been trending for about a year and a half now, which is the state of Florida's initiative to standardize, streamline, and simplify the Public Assistance Process. The Public Assistance process meaning the assistance provided through FEMA at the Federal level to assist states, tribes, and local governments to help communities recover from presidentially declared major disasters or emergencies.

Here in Florida, when Public Assistance is needed it flows from the Federal Government to the State of Florida as the direct recipient of the funds, then each local government is a subrecipient of the state. The States Division of Emergency Management managing this process for the state. As many of you know from your experience with past disasters, FEMA and the Feds have so many requirements and procedures for everything including procurements, declaration and the likes. It can get complicated pretty fast and leads at times to deobligations of funding from FEMA, which then you have to appeal through the state to FEMA. In 2017 time period through 2020s there have been a lot of FEMA deobligations in the state which have been appealed. As a result, the state wanted to come up with a system to reduce the risk of deobligations to applicable local governments and create a quicker recovery. For that reason, they have started a new initiative called Florida Recovery Obligations Calculation (F-ROC for short).

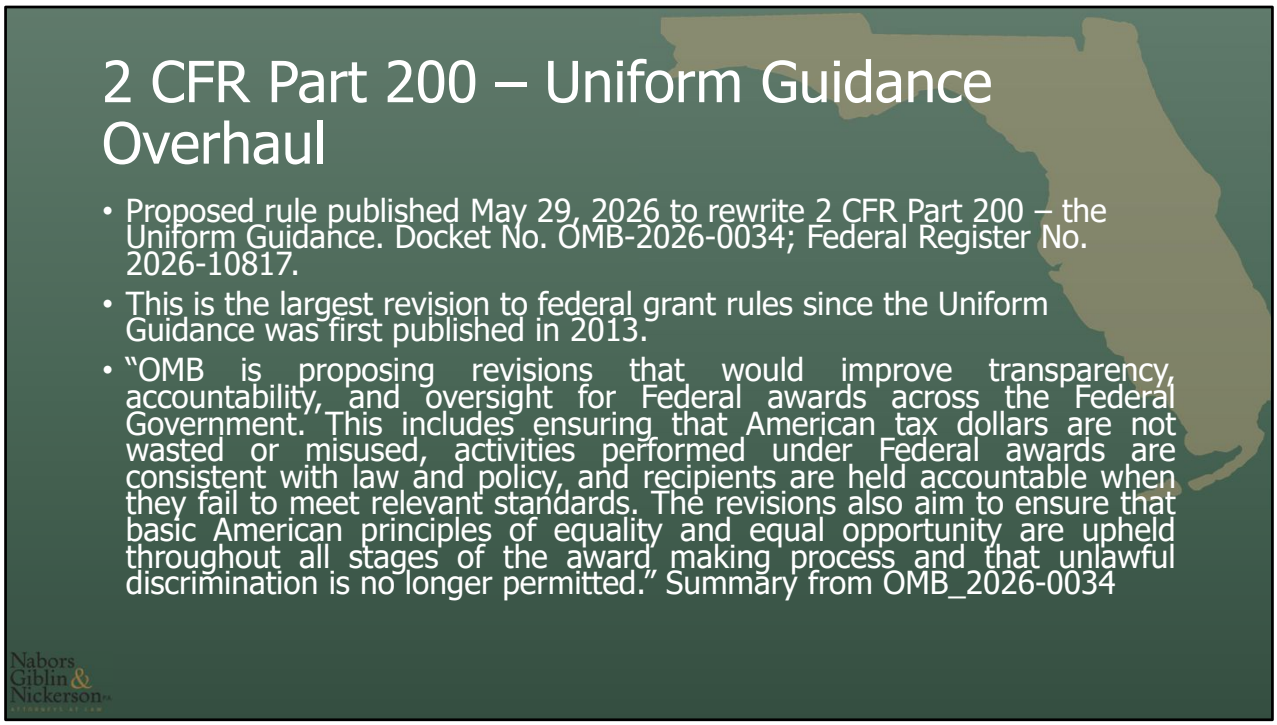


I am including on the slide the F-ROC website. This new initiative, provides training for local governments as well as sample plans, policies and procedures for everything needed to successfully make it through a FEMA appeal and stay obligated. The samples they have put together, include Operational Disaster Debris Management Plans, Personnel Policy provisions related to emergency work, sample emergency financial plans, policies and procedures for procurements have withstood past FEMA scrutiny. FEMA in June of last year officially approved these forms.

We wanted to point it out, because we are seeing the trend where more local governments are evaluating their policies and procedures to ensure they align for emergency purposes with the F-ROC sample forms. We do recommend looking at it there are some very helpful trainings and guidance materials.



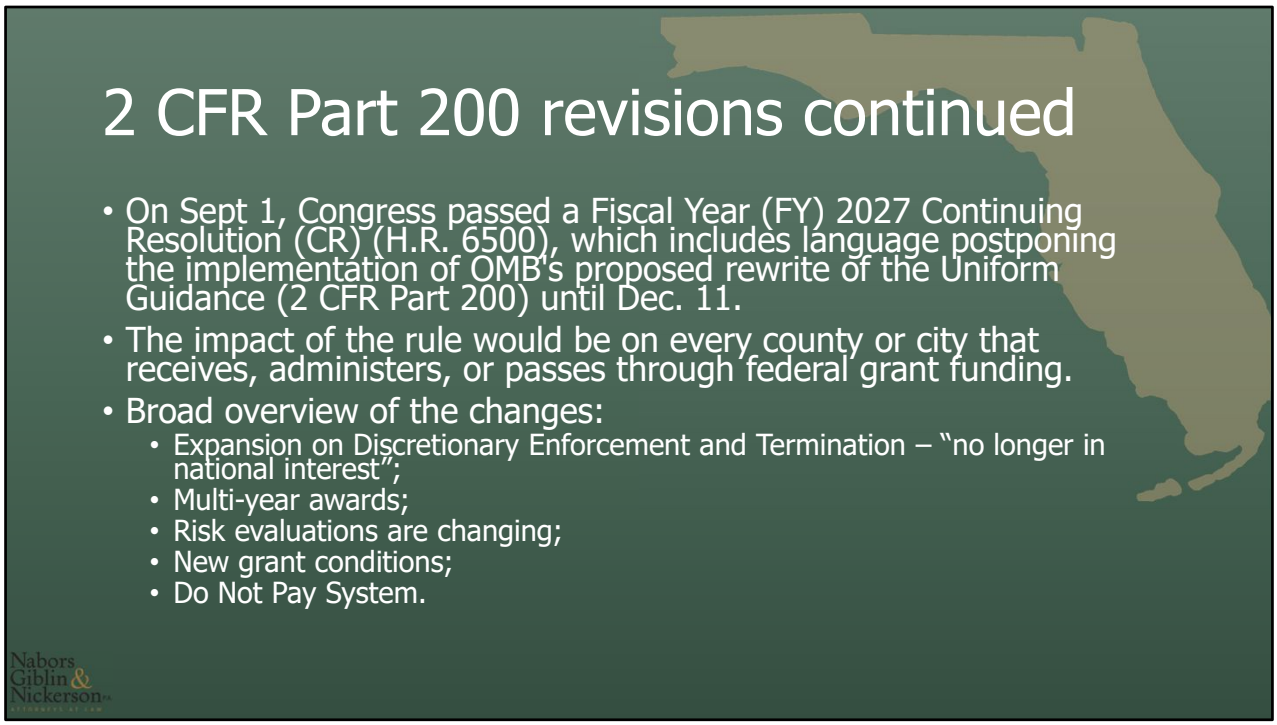
Moving on to new Federal Revisions that are not law yet but will be in the near future.



First of the Federal Revisions is probably the biggest of the Federal Revisions the 2 CFR Part 200 overhaul. Although most of you are probably very familiar with 2 Code of Federal Regulations Part 200, for those that don't, it is commonly known as the Uniform Guidance, it is the official federal government wide rulebook issued by the Whitehouse Office of Management and Budget that governs how federal grants and financial assistance are managed. It was first published in 2013. Before that each and every federal department had their own rulebook on federal grants and financial assistance management and so depending on which department was giving you grant funding was whose rules, which varied, applied. It was very cumbersome to deal with.

Along came the Uniform Guidance that streamlined everything, took years to implement fully, but has been in play for local governments for about a decade now. In May of this year, the Whitehouse Office of OMB proposed a new rule to revise 2 CFR Part 200. Now we have seen revisions in the past, in fact 2020 had a decent size revision as did 2024, but this proposed rule is the largest revision we have seen to date to 2 CFR Part 200. The purpose of the proposed rule is to provide better transparency and accountability according to the preamble of the propose rule – the summary is on the slide. What the proposed rule in fact does is provide a lot more opportunities for the Feds to change requirements mid grant or jump ship mid grant. Which as they have discovered from trying to do that in recent years and getting sued alot, they

cannot do, once they award and have an agreement they are locked in unless a grantee breaches that agreement.



These new changes, which I am going to broadly summarize, were supposed to go into effect October 1, 2026. However Congress as part of their continuing budget resolution included language to postpone the implementation of the new proposed rules until December 11, 2026. Not sure what is magical about December 11th but that is the date chosen by Congress. OMB received hundreds of thousands of comments on the proposed rule by July of this year, no new revisions have come out since received those comments.

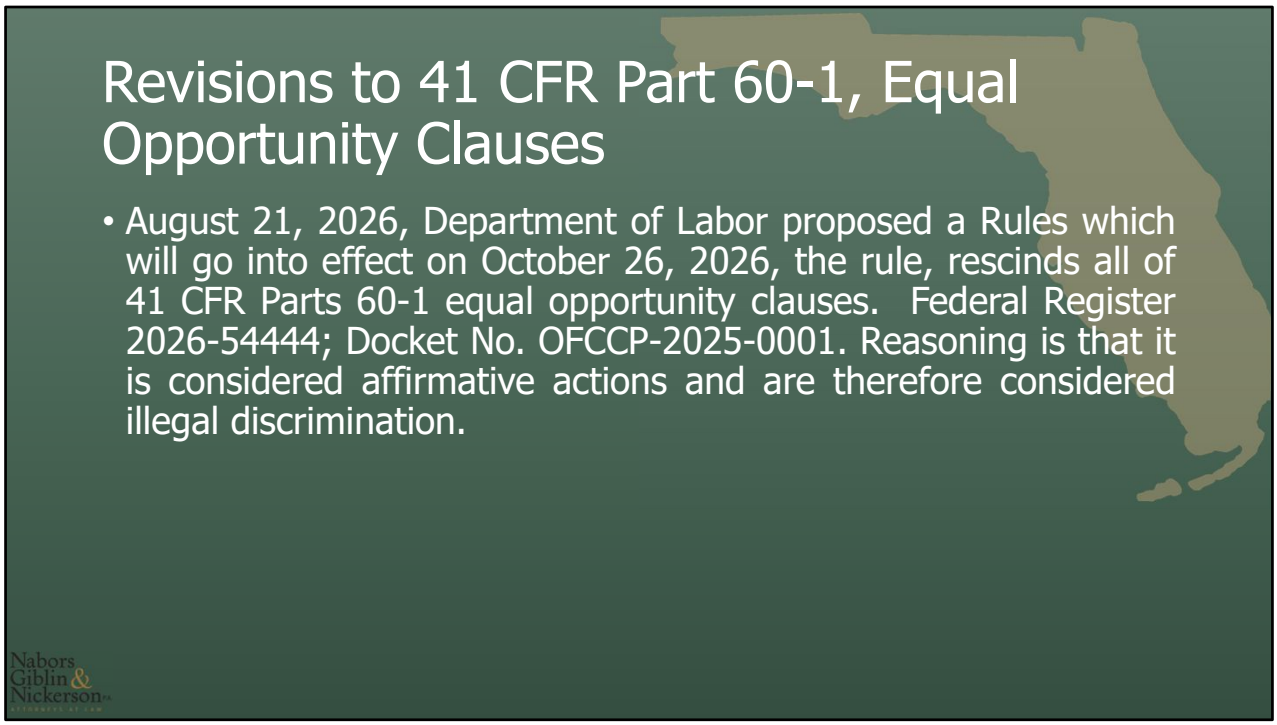
The new changes apply to any entity, including local governments receiving grant funds from the Federal government. Broadly the changes to 2 CFR Part 200 can be summarized as follows:

- Reclassifies the Uniform Guidance from guidance allowing for an agency level adaption to a binding regulation. If is unclear whether this will eliminate agencies from providing further program issued guidance or not and may eliminate the formal consultation process OMB had with local governments on guidance;
- Provides new uniform conflict of interest disclosure requirements, specifically disclosures are more detailed and give agencies more authority to investigate conflicts of interest but are mute on what procedures for investigations will be followed;
- Requires senior political appointee (head of agency) revise to conduct pre-issuance

review of select grant awards. There is no criteria for appeals process. This also can cause delays. Also requires additional risk evaluations to be conducted to include a review of "affiliations" with organizations that violate federal law or "advocate for overthrow" the terms are not defined.

- There are new content based prohibitions and expands agency discretion on interpretation of violations of said prohibitions.
- Agencies may terminate awards if it is no longer in the "national interest" as conditions exist at the time of termination (note formula, block and disaster grants are exempt);
- Agencies and pass-through entities such as the state can issue written orders to suspend an award for up to 90 days, so they could freeze a grant mid award (note formal, block and disaster grants are exempt);
- On a good note, it encourages Multi-year awards and requires more notices of availability to potential recipients.
- Here is another tricky one, any public entity receiving federal funds are subject to a viewpoint-neutrality mandate on all public entity-controlled property regardless of whether the facility receives any federal funding.
- New restrictions similar to the new Florida restrictions related to DEI and gender ideology.
- All entities will now need to use Treasury's DO NOT PAY system before making payments to recipients and subrecipients.
- Every transfer of federal funds from one constitutional officer to another such as a county to a sheriff can no longer be treated as internal but must be treated as a subaward.
- And there will be more subrecipient monitoring requirements, failure to report which are grounds for grant termination.

Again, this was just a broad overview, I would implore you to check it out for yourself the citation to the Federal Register publication was on the last slide.



Another soon to be implemented Federal Regulation revisions is to 41 CFR Part 60 (our focus is on Part 60-1), which contain regulations issued by the Office of Federal Contract Compliance Programs, part of the Department of Labor, that enforce non-discrimination and equal opportunity requirements for entities doing business with the Federal government, that includes local government receiving federal funding, such as grants.

For background, for any familiar with grants in the room, 2 CFR Part 200 Appendix II are mandatory contract provisions that every non-federal entity, including local governments, that receives funding must include in any of their grant documents. Subsection (C) includes an equal employment opportunity provision that requires the inclusion of verbatim equal opportunity language found in 41 CFR Part 60-1 and that verbatim language references Executive orders from the 1960s that were revoked and voided by the President in January 2024. This revocation has created a big inconsistency between what we as local government were required to include to adhere to the code of federal regulations language and what the executive order required which was to not include that language. We figured last summer they would do something to clean up that inconsistency in the law and nothing happened so we had to get creative with our language, but now the feds have gotten around to cleaning up the inconsistency and what they are doing to correct it is to rescind all of 41 CFR

Part 60-1 equal opportunity clauses and also in the 2 CFR Part 200 cleanup we just discussed do away with the equal employment opportunity requirements. The doing away with the equal employment opportunity clause is effective October 26, 2026 – wanted to bring it to your attention because starting next week, the language in your grant documents for subrecipients and contractors needs to change.



We are now going to turn to our final topic, where we highlight a trend in case law related to federal grants that we have seen in the last year. One thing you may have noticed from granting agencies at the federal level within the last year, year and a half, is they keep coming out with new guidance and grant documents/certifications. A lot of that comes from the executive orders and direction from the Whitehouse Office of Management and Budget directed to the various federal departments.

Some of the conditions that are coming out of the guidance really seem to have no correlation between the funding and the conditions. For those reasons we have see a few challenges raised related to conditions on grant funding.

Conditions on Grant Funding

- Issue: Where the U.S. Congress through lawmaking has established grant programs, can federal agencies condition the receipt of those grant program funds they administer on things that go beyond that which is established by Congress, examples include: requiring implementation of new immigration or elections policies for Federal Disaster Emergency Public Assistance and other FEMA grant funding.

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Cases of interest

- State of Illinois v. Federal Emergency Management Agency, 1:25-cv-00206, (D.R.I.)
- METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE v. U.S. DEPARTMENT OF HOMELAND SECURITY, 1:26-cv-02886, (D.D.C.)
- City of Fresno v. Noem, 3:26-cv-01535, (N.D. Cal.)
- State of Illinois v. Federal Emergency Management Agency, 1:26-cv-00485, (D.R.I.)

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Questions



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