

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 9610
OFFERED BY MR. SCOTT OF VIRGINIA**

Add at the end the following:

1 SEC. 12. ADDITIONAL REQUIREMENTS FOR DISCRE-
2 TIONARY GRANT PROGRAMS.

3 (a) IN GENERAL.—In carrying out any discretionary
4 grant program transferred under section 2, the Secretary
5 of Labor shall—

6 (1) ensure the applications submitted for such
7 a grant program undergo a merit review process, in-
8 cluding a peer review panel, for evaluation and de-
9 termination with respect to—

10 (A) grant recipients; and

11 (B) grant amounts;

12 (2) ensure that senior appointees (or designees
13 thereof) are not—

14 (A) members of such peer review panel; or

15 (B) otherwise involved in the determina-
16 tions described in paragraph (1);

17 (3) prohibit senior appointees (or designees
18 thereof) from conducting a pre-issuance review of
19 any such grant program; and

1 (4) ensure that such review process is free from
2 partisan political influence.

3 (b) MERIT REVIEW PROCESS.—The Secretary of
4 Labor shall ensure the merit review process required
5 under subsection (a) is modeled on the requirements for
6 merit review provided in the Guidance for Federal Finan-
7 cial Assistance under title 2, Code of Federal Regulations,
8 as such guidance appeared on May 28, 2026.

9 **SEC. 13. INAPPLICABILITY OF PROPOSED REGULATION**
10 **FOR FEDERAL FINANCIAL ASSISTANCE.**

11 (a) IN GENERAL.—The rule described in subsection
12 (b) shall have no force or effect with respect to functions
13 transferred under section 2 or the administration of such
14 functions.

15 (b) RULE DESCRIBED.—The rule described in this
16 subsection is the rule submitted by the Office of Manage-
17 ment and Budget relating to “Regulation for Federal Fi-
18 nancial Assistance” (91 Fed. Reg. 32198; May 29, 2026),
19 or any substantially similar rule or regulation.

