



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 1351

RIN 0970-AD37

Reducing Bureaucracy and Burden for Children, Youth, and Family Programs

AGENCY: Family and Youth Services Bureau (FYSB), Administration on Children, Youth and Families (ACYF), Administration for Children and Families (ACF), Department of Health and Human Services (HHS).

ACTION: Final rule.

SUMMARY: This final rule removes duplicative and unnecessary sections from the Runaway and Homeless Youth Program regulations. These amendments will streamline the Runaway and Homeless Youth Program regulations to make them more accessible to the public.

DATES: Effective [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

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SUPPLEMENTARY INFORMATION:

I. Statutory Authority

This final rule is being issued under the authority granted to the Secretary of Health and Human Services by the Runaway and Homeless Youth Act of 1974, as amended, hereafter referred to as the “Act,” 34 U.S.C. 11201 *et seq.* [34 U.S.C. 11202](#) specifically authorizes rulemaking.

II. Background

The Runaway and Homeless Youth (RHY) Program, authorized under the Runaway and Homeless Youth Act (34 U.S.C. 11201 *et seq.*), authorizes HHS to provide grants to public and nonprofit private entities to deliver services to runaway and homeless youth and youth at risk of homelessness. The RHY program includes the Basic Center Program, the Transitional Living Program (including the Maternity Group Home Program), and the Street Outreach Program, which together support emergency shelter, transitional housing, outreach, counseling, and comprehensive supportive services to promote youth safety, well-being, and long-term stability. The RHY program also funds a national communications system, grants for training and technical assistance, and grants for research, evaluation, training, and service projects. HHS has issued regulations for the RHY Program at 45 CFR part 1351.

HHS initially published regulations for the RHY Program on November 20, 1978. Office of Human Development Services, Department of Health, Education, and Welfare, 43 FR 55634 (Nov. 20, 1978) (codified at 45 CFR pt. 1351). The regulations were most recently amended on December 20, 2016 at Runaway and Homeless Youth, 81 FR 93030. The most recent revisions added program performance standards and provided additional updates to reflect changes in the RHY Act made through the Reconnecting Homeless Youth Act of 2008 (Pub. L. 110-378). *See* Runaway and Homeless Youth, 81 FR 93030, 93030 (Dec. 20, 2016). We are now rescinding several sections of 45 CFR part 1351 to clarify program requirements, reduce unnecessary administrative burden, and better align the regulations with current statutory authority and language, while maintaining program operations and effective management of grant funds.

III. Executive Summary

This final rule rescinds multiple RHY Program regulation sections that can be delineated into two categories: those that are duplicative and those that are unnecessary because they are better suited for a different format.

The duplicative regulation sections are those that carry no legal weight because their requirements are listed elsewhere in applicable law, such as in statute. Duplicative regulations impose no new obligations and offer no new guidance because the authority and requirements are pulled directly from other statutes and regulations. In many cases, the language in the regulation is identical to the language in the RHY Act.

Several of the regulation sections are better suited to a different format, such as a Notice of Funding Opportunity (NOFO). These sections either include summaries of program goals or objectives that do not impose any requirements beyond the language in the authorizing statute or they include information generally found in grant documents such as NOFOs. In some cases, the sections merely direct grant applicants and recipients to follow instructions in NOFOs and provide no additional information. These sections are being removed to allow them to be published in the more appropriate format.

Effective Date

This final rule will become effective 60 days from the date of its publication.

Severability

The purpose of this section is to clarify ACF's intent with respect to the severability of the provisions of this NPRM. As explained above, ACF is removing sections of the RHY regulations because we determined that doing so would make the regulations clearer, less burdensome, and more accessible to the public. To the extent that any portion of the removals are declared invalid by a court, ACF intends for all other provisions of this final rule to remain in effect to the greatest extent possible to ensure that the RHY regulations remain as concise and accessible as possible. The changes address a variety of issues relevant to the Family and Youth Services Bureau. None of the provisions contained herein are central to an overall intent of the proposed rule, nor are any provisions being removed in this final rule dependent on the validity of other, separate provisions.

IV. Summary of Public Comments

ACF published a notice of proposed rulemaking (NPRM) in the Federal Register on April 6, 2026, (91 FR 17235) proposing revisions to 45 CFR Part 1351. ACF provided a 30-day comment period during which interested parties could submit comments in writing electronically through Regulations.gov or via e-mail to the Immediate Office of the Assistant Secretary.

During the 30-day comment period, ACF received 918 comments from individuals and organizations including students and clergy; human services, educational, and medical professionals; national, state and local runaway and homeless youth focused advocacy organizations, research and policy organizations; and individual provider organizations. All comments received were posted on www.regulations.gov.

Of the 918 submissions received, there were 537 unique comments and 381 are duplicates. Additionally, of the 537 unique comments received, 506 of the comments raise the same concerns about the NPRM with minor distinguishing details describing commenters' personal experiences.. Comments were received from national organizations, advocating on behalf of runaway and homeless youth and RHY service providers.

At the conclusion of the public comment period, ACF analyzed the content of the comments to inform the development of this final rule. To support the analysis of public comments, ACF staff used a large language model, a type of artificial intelligence (AI), as a tool to conduct an initial scan of comment content, sentiment, and language. The AI output was thoroughly analyzed and refined by FYSB program subject matter experts. All comments were reviewed by content experts to determine each commenter's support, opposition, or suggestions concerning the policies proposed in the NPRM.

Public comments reflected a range of perspectives, with some commenters expressing general support for the proposed changes and the majority opposing the proposed rescissions. All responsive comments informed our consideration of the final rule.

The preamble in this final rule discusses the changes to current regulations. Where language of previous regulations remains unchanged, the preamble explanation and

interpretation of that language published with all prior final rules are also retained, unless specifically modified in the preamble to this rule.

V. General Comments and Cross-Cutting Issues

A couple comments expressed overall support for the proposed changes in the NPRM but did not discuss specific provisions or make any suggestions for change. Several comments expressed opposition to the proposed changes but made no specific suggestions for change. We address the general concerns raised in those comments in this section. Comments addressing specific sections of the regulation proposed for removal are discussed in the section-by-section analysis later in this final rule. Several commenters expressed concern that removing the regulation sections discussed in the NPRM could weaken consistency of RHY program requirements and limits stakeholders' ability to hold the agency accountable for enforcing consistent standards. Commenters raising this issue were primarily advocacy organizations supporting runaway and homeless youth providers and youth at risk of homelessness or who are experiencing homelessness. While we acknowledge commenters' concerns, we do not agree that the proposed rescissions will create inconsistencies in program requirements or enforcement. Most of the regulation sections slated for removal either impose no requirements or merely list program requirements already articulated in the RHY statute at 34 U.S.C. 11201 *et seq.* or other in federal regulations. *See, e.g.,* 45 CFR 1351.10 (summarizing the RHY program purpose but including no program requirements); 1351.11 (restating program eligibility requirements listed at Sections 11211(a)(1), 11222, and 11261(a) of the RHY Act). Where regulatory language differs from statute, such distinctions may be included in NOFOs without creating inconsistencies in program requirements or limiting enforcement. Grant application reviewers are fully trained on new provisions that may be added to NOFOs, and applicants are encouraged to contact RHY program staff listed in the NOFO with any questions about NOFO content. NOFOs are publicly available and may be easily accessed by any stakeholders seeking to better understand RHY program requirements. Importantly, RHY program-specific performance standards, the basis for

most enforcement actions, remain intact. *See* 45 CFR 1351.30 through 32. ACF declines to make any changes to the proposed rescissions based on commenter concerns about consistency..

Many commenters, primarily representing advocacy organizations, also raised general concerns that the proposed section removals will weaken RHY program clarity and transparency. We acknowledge these concerns but disagree. Removing repetitive sections of the regulation and sections that are better suited for NOFOs makes the remaining regulation sections clearer and easier to follow. RHY stakeholders will no longer need to parse out minor distinctions between statute and regulation to understand program requirements because the RHY regulation will be limited to requirements that are not articulated elsewhere and that carry legal weight rather than, for example, directing grant applicants to follow instructions in the funding opportunity announcement (NOFO) to apply for RHY funding. *See* 45 CFR 1351.17. ACF will therefore decline to make any changes to the proposed removals based on commenter concerns about clarity or transparency.

Most individual commenters, as well the advocacy organizations that opposed the NPRM, argued that the changes will reduce protections for vulnerable youth, particularly youth who identify as “LGBTQ.” Many of these commenters emphasized negative consequences associated with “conversion therapy” and protecting youth identifying as “LGBTQ” from harm. Commenters raised concerns that the proposed rescissions will discourage such youth from seeking RHY-funded services. While most of these comments do not cite a specific section of the RHY regulations, we recognize that these sentiments likely respond to ACF’s proposal to remove 45 CFR 1351.16 from regulation. 45 CFR 1351.16(b) prohibits grant recipients from using RHY funds for “any treatment or referral to treatment that aims to change someone's sexual orientation, gender identity or gender expression,” a practice commonly referred to as conversion therapy. We will address general comments about protections for these individuals in this section and provide a more detailed analysis of concerns about removing § 1351.16(b) in in the section-by-section discussion.

ACF maintains that the proposed removals will have no impact on protections for vulnerable youth, including youth who identify as “LGBTQ.” ACF does not discriminate against any individual or group based on any Federally protected classification, including in the administration of the RHY Program. Services are provided to all eligible youth consistent with applicable Federal civil rights laws and program requirements.

Nothing in this rule alters or limits existing nondiscrimination protections or the obligation of recipients to provide safe and appropriate services to all youth served under the program. ACF remains committed to serving all eligible youth per statutory requirements, including youth who are at risk for trafficking, exploitation, and housing instability. We disagree that the proposed rescissions will discourage youth participation. RHY programs, including the Basic Center Program and the Transitional Living Program, must include outreach efforts in accordance with the RHY Act. *See* 34 U.S.C. 11212(b)(6) (Basic Center Program), 34 U.S.C. 11222(a)(8). ACF will continue to support RHY grant recipients to enhance outreach efforts through guidance and technical assistance in partnership with the Runaway and Homeless Youth Training, Technical Assistance, and Capacity Building Center (RHYTTAC).

Because the proposed rescissions do not weaken protections for vulnerable youth or discourage eligible youth from participating in RHY-funded programming, ACF declines to make any changes to the NPRM based on these commenter concerns.

VI. Section-by-Section Discussion of Comments and Regulatory Provisions

HHS received the following comments about changes proposed to specific subparts of the regulation. Below, HHS identifies each subpart, summarizes the comments, and responds to them accordingly.

Subpart B— Runaway and Homeless Youth Program Grants

§ 1351.10 What is the purpose of Runaway and Homeless Youth Program grants?

This section is proposed for removal because it is unnecessary. This section explains the general purpose of RHY Program grants but provides no instructions to grant applicants or

recipients, nor does it impose any new obligations. Thus, this section is not needed in regulation and would better serve grant applicants and recipients if it were moved into the opening of a Notice of Funding Opportunity (NOFO) and described elsewhere in sub-regulatory guidance.

Comment: HHS received six comments, all of which were from advocacy organizations, opposing the removal of § 1351.10 arguing that the section provides foundational regulatory direction on the purpose of RHY grants, the youth population served, and key service expectations that should not be shifted into annual NOFOs. Commenters argued that § 1351.10 helps anchor the program by identifying core approaches such as Positive Youth Development, services tailored to youth needs, and connections to education and employment, and they argue that removing it could weaken consistency, reduce legal clarity, and erode explicit protections for youth facing barriers to safe services.

Response: While we recognize the value in providing “foundational regulatory direction” for RHY grants, we maintain that this section of the RHY regulation may be removed without impact. As explained above, this section provides no clarifying instructions to grant applicants or recipients, nor does it impose any new obligations. Its removal from regulation cannot jeopardize “explicit protections” for youth because this section does not create any new protections. As recipients of Federal Financial Assistance (FFA), all RHY grant recipients must ensure that the programs they administer do not discriminate on the basis of a participant protected characteristics, including the participant’s race, sex, ethnicity, national origin, religion, or disability. *See* 45 CFR 200.300. These protections are enshrined elsewhere in Federal statute and regulation and this section does not affect their applicability.

§ 1351.11 Who is eligible to apply for a Runaway and Homeless Youth Program grant?

This section discusses eligibility for RHY Program grants. We are removing it from RHY regulations because it generally duplicates statutory language. This section is not needed in regulation because the statute that authorizes this section (Sections 11211(a)(1), 11222, and

11261(a) of the RHY Act) is already prescriptive in terms of eligibility for grant funds and the regulatory language does not provide additional clarification.

Comment: HHS received three comments addressing removal of § 1351.11 from the RHY regulations. One commenter supported the removal of this section because it appears duplicative and adds little clarity. The other two comments, opposed removal, arguing the regulation is still needed because it clarifies who may apply for RHY grants and preserves the program's boundary with the juvenile justice system. The opposing comments say that the RHY statute does not clearly articulate applicant eligibility, so the regulation confirms that public agencies, private nonprofits, and coordinated networks can participate, while juvenile justice systems cannot; they also warn that removing the section could create confusion for existing grantees, including faith-based organizations.

Response: ACF acknowledges the importance of ensuring that grant applicants and recipients understand eligibility requirements but disagrees that removing this section will cause confusion. This section of the RHY regulations was most recently updated to more closely align with statutory requirements rather than to add new content not found in statute. *See* Runaway and Homeless Youth, 81 FR 93030, 93041 (Dec. 20, 2016) (“[W]e proposed changes to this section to confirm the regulatory language to the current statute.”). While the prohibition against awarding RHY grants to entities within the juvenile justice system is not explicitly included in the RHY statute, the statute does, as commenters note, make clear that the intent of the RHY program is to develop an “effective system of care . . . outside the welfare system and the law enforcement system.” 34 U.S.C. 11201(4). Furthermore, ACF ensures that each fiscal year NOFO clearly defines who eligible applicants are and, when appropriate, cites specific eligibility criteria provided in RHY Act. Consulting NOFOs, as all grant applicants and recipients must do to receive funding, will also assist faith-based organizations to understand their eligibility. All RHY NOFOs include specific language clarifying that faith-based organizations that otherwise meet eligibility requirements may apply for funding. Referring applicants and grant recipients to

all eligibility requirements and restrictions in one place, such as the NOFO, will reduce administrative burden for prospective awardees and will avoid, rather than cause confusion.

§ 1351.12 Who gets priority for the award of a Runaway and Homeless Youth Program grant?

This section discusses which applicants receive priority for the RHY Program grant awards. We are removing this section from regulation because it is largely duplicative of statutory text from the RHY Act. In most cases, the language used in this regulation section is identical to the language describing grant eligibility requirements in the statute. *See* 34 U.S.C. 11213(b) (priority requirements for the Basic Center Program); 34 U.S.C. 11222(b) (priority requirements for the Transitional Living Program); 34 U.S.C. 11261(b) (priority requirements for the Street Outreach Program); 34 U.S.C. 11231 (priority requirements for the national communications system) 34 U.S.C. 11243(b) (priority requirements for research, evaluation, demonstration and service projects).

Where the regulatory language has modified statutory language slightly, such as at 45 CFR 1351.12(d) (expanding the statutory requirement for the national communications grant to prioritize applicants with experience providing telephonic services to runaway and homeless youth to prioritize applicants who have experience providing “electronic communication services”), distinctions can be explained via NOFO. NOFOs can likewise appropriately articulate 45 CFR 1351.12(f), which requires the Secretary to incorporate program performance standards listed at 45 CFR 1351.30 through 32 into grantmaking, monitoring, and evaluation. This subsection already states that NOFOs will include such content.

Comment: HHS received three comments addressing the removal of § 1351.12. One commenter supported removal and agreed that the regulation section does not add new information or clarity to the statutory requirements concerning applicant priorities. The other two commenters, which were organizations representing a collection of stakeholders, argued that certain subsections add meaningful clarification that should be retained, especially language allowing flexibility on preferred Basic Center Program (BCP) award amounts, broadening

priority for the national communications system beyond telephone services to include internet, mobile, and other technology-driven services, and preserving the regulatory requirement to incorporate performance standards into NOFOs, monitoring, and evaluation. A commenter also expressed concern that the phrase “or such figure as Congress may specify” would no longer appear in regulation following the requirement that ACF prioritize applicants requesting \$200,000 or less in funding.

Response:

As explained above, most of the language in this section “mirrors the statutory language exactly.” Runaway and Homeless Youth, 81 FR 93030, 93041 (Dec. 20, 2016). ACF disagrees that the minor distinctions between statutory and regulatory language concerning priorities justify retaining this section of the RHY regulation. ACF has already incorporated the regulatory language that differs from statute at 45 CFR 1351.12(d) and (f) into NOFOs. The NOFO supporting the National Communication System has been revised to ensure services meet modern communication technologies to include adding text and chat functionality, which were not envisioned when the RHY Act was first introduced. ACF recognizes The RHY Performance Standards remain enshrined in regulation and grant recipients must agree to adhere to the Performance Standards to accept RHY funds. Additionally, removing the phrase “or such figure as Congress may specify” has no impact on the statutory requirement to prioritize applicants seeking \$200,000 or less; Congress always has authority to modify statutory requirements, and removing this section from regulation allows ACF to respond more efficiently if Congress does raise the amount specified in the RHY Act. For these reasons, we decline to make any changes to the proposal to remove this section from regulation. § 1351.13 What are the Federal and non-Federal match requirements under a Runaway and Homeless Youth Program grant?

This section discusses match requirements for RHY Program grants. We are removing this section from the RHY regulation because it duplicates statutory match requirements almost

exactly. *See* 34 U.S.C. 11274. This section does not assist the public to better understand the statutory match requirement and therefore serves no purpose.

Comment: HHS received one comment supporting removal of § 1351.13 but no specific rationale was provided.

Response: Both the RHY statute and annual NOFOs effectively communicate that the federal share of each funded project is 90 percent of the total project cost, and the remaining 10 percent must be met by the grant recipient.

§ 1351.14 What is the period for which a grant will be awarded?

This section discusses the grant period for RHY Program grants. We are removing this section because it is unnecessary. Information about grant periods already appears in NOFOs and is better suited there. Furthermore, this Section is ambiguous because it states, “generally the grant will initially be for one year.” Corresponding language in NOFOs is therefore already necessary to inform grant applicants and recipients about the specific period of their grants. NOFO language communicates that grants are awarded as a three year period of performance with three distinct one-year budget periods.

Comments: ACF received three comments opposing the removal of § 1351.14 arguing that the section still serves an important operational purpose by giving stable regulatory direction for NOFO development and grantee expectations, even when NOFOs vary from year to year. The commenters emphasize subsection (b), which details the duration of grants, arguing that it adds useful guidance on continuation awards by making clear that multi-year grants should be reviewed annually for satisfactory performance, essential for outcomes, accountability, and responsible use of limited RHY funds.

Response: ACF agrees that providing clear information about grant duration is important but declines to make any changes to our proposal to remove this section from regulation. RHY NOFOs provide sufficient clarity about project periods, deeming this section unnecessary. Additionally, we do not anticipate that removal of this section will have any impact on grant

recipient performance or accountability. ACF ensures responsible use of RHY Program funds by utilizing a robust monitoring process that includes desk and onsite reviews of grant recipients' compliance with program requirements and performance standards. RHY grant recipients are also required to submit client-level and performance data through established reporting processes, including quarterly Runaway and Homeless Youth – Homeless Management Information System (RHY-HMIS) uploads, Performance Progress Reports (PPRs), and other required reporting. Information gathered through monitoring and data reporting may be used in decisions about future RHY funding opportunities. Applicants are expected to look to NOFOs for relevant grant terms, and centralizing requirements in one place will reduce the administrative burden on applicants.

§ 1351.15 What costs are supportable under a Runaway and Homeless Youth Program grant?

This section discusses allowable costs for RHY Program grants. We are removing this section because grant terms and conditions, including allowable expenditures of a grant, are best suited for NOFOs and other grant documents and in most cases, already appear in those documents. Including them in regulation is unnecessary.

Comment: We received four comments, all of which came from advocacy organizations, specific to § 1351.15. The commenters opposed removal and argued that the section should remain in regulation because it gives stable guidance on allowable costs, including support for staff training, and helps providers plan, budget, and maintain consistent services across grant cycles. Commenters said that this clarity is especially important for smaller and community-based RHY grant recipients that rely on regulatory language for fiscal decision-making, staff onboarding, compliance, and audit defense, and they raise concerns that moving cost rules only into NOFOs could create confusion, inconsistency, and service instability from year to year.

Response: ACF acknowledges commenter sentiment about the importance of providing clear, consistent guidance to grant recipients, particularly small, community-based grant recipients, about allowable program costs. We do not agree, however, that removing this section

of the RHY regulation will negatively impact grant recipient access to such information. Grant terms and conditions, including allowable expenditures of a grant, are already included in NOFOs and other grant documents. Grant recipients will already be looking to NOFOs for relevant terms, and to win future awards, are incentivized to use awarded funds in the most efficient manner. In addition, grant recipients must meet the terms and conditions of their Federal award.

Furthermore, while § 1351.15 includes several examples of allowable costs for RHY programs, the list is not exhaustive. Rather, all Federal grant recipients are bound by cost principles outlined in 2 CFR Part 200, Subpart E, which require all allowable costs to be necessary, reasonable, and allocable the grant award. *See* 2 CFR §§ 200.403-405. Retaining § 1351.15 in regulation would still require RHY grant recipients to determine whether unlisted costs meet these Federal cost allocation standards, so its removal does not impose a burden on grant recipients or create additional confusion. For these reasons, we will proceed with removing this section from RHY regulations. § 1351.16

What costs are not allowable under a Runaway and Homeless Youth Program grant?

This section discusses unallowable costs for RHY Program grants. As with 45 CFR § 1351.15, we are removing this section because grant terms and conditions, including lists of unallowable expenditures of a grant, are best suited for NOFOs and other grant documents. NOFOs already include lists of unallowable expenses, including those listed in this section.

This section is also duplicative in part. 45 CFR § 1351.1 already prohibits the activities described in 45 CFR 1351.16(b) under the definitions of “counseling services” and “health care services,” there is no need to include the same expense prohibition repeatedly in the RHY regulations.

Comments: Most of the comments that we received on the NPRM either directly or indirectly raised concerns about removing § 1351.16 from regulation, particularly § 1351.16(b). Seven advocacy organizations opposed removal of this section. These commenters expressed

general concerns about removing regulatory guidance on unallowable costs, asserting that the section provides stable, practical guidance on allowable and unallowable costs that grant recipients—especially smaller community-based organizations—use for budgeting, compliance, training, and audits. One commenter reasoned that ACF’s decision to include a limitation on using RHY funds for constructing or operating existing facilities that are used “partially or incidentally” for RHY services in the 2016 Final Rule was because grant applicants had proposed inappropriate budgets due to unclear NOFOs, so retaining this section in regulation was necessary to preserve clarity.

As discussed above, most commenters opposed removing § 1351.16(b), arguing that this subsection’s explicit prohibition on efforts to change a young person’s “sexual orientation, gender identity or gender expression” is a critical youth safety protection that should not be weakened or left to NOFO language alone. Many commenters contend that including this prohibition in the definition section of the RHY regulation (45 CFR 1351.1) is insufficient, because the funding prohibition included in the definition of “counseling services” may not fully cover harmful conduct by non-clinical staff. Commenters expressed concern that removing § 1351.16 could create confusion, increase compliance risk, and discourage vulnerable youth, particularly those identifying as “LGBTQ,” from seeking services. Some commenters also viewed removal of this subsection as an endorsement of conversion therapy, or “a treatment that aims to change someone’s sexual orientation, gender identity or gender expression.”

Response: We recognize that our proposal to remove § 1351.16 from RHY regulations raises concerns for some commenters. Nonetheless, we disagree that removing this section will create instability for grant applicants and recipients or that it will erode protections for vulnerable youth. We offer the following explanations for our decision to proceed with removal.

First, as with § 1351.15, grant terms and conditions, including unallowable expenditures of a grant, are already included in NOFOs and other grant documents. Grant applicants and recipients must rely on NOFOs to understand the terms of their grant, and providing clear,

detailed information about allowable and unallowable expenses in NOFOs is the best way to ensure that grant applicants and recipients receive all relevant information. While commenters pointed to earlier unclear NOFOs as the 2016 RHY Final Rule's justification for including limitations on using capital and operating costs for facilities only partially or incidentally used for RHY programs, the Final Rule draws no such conclusion. *See* Runaway and Homeless Youth, 81 FR 93030, 93042-43 (Dec. 20, 2016). Rather, the Final Rule states that ACF has "seen proposed project budgets that include disproportionate allocations of facility-wide or overhead costs to Runaway and Homeless Youth projects that use only a small proportion of the facility." *Id.* We maintain that NOFOs are the most appropriate place to explain limitations on capital and operating costs with RHY funds. Additionally, ACF has since undergone significant efforts in recent years to ensure that NOFOs are simple, clear, and accessible to grant applicants. *See* 89 FR 30046. Even if funding opportunity announcements were insufficient to provide applicants with clear funding guidance when the 2016 Final Rule was published, ACF's updated efforts to streamline NOFOs will ensure that grant applicants and recipients receive a clear explanation of allowable and unallowable expenses without the need to include this information in regulation.

Further, as with § 1351.15, the list of unallowable expenses in § 1351.16 is not exhaustive; the section lists only two examples of unallowable expenses under the RHY program. Yet, all Federal grant recipients are bound by cost principles outlined in 2 CFR Part 200, Subpart E, which includes a long list of specific unallowable costs not referenced in the RHY regulations. Grant recipients must still confirm that all costs are allowable under Part 200, Subpart E, so § 1351.16's presence in the RHY regulations creates, rather than reduces burden for grant recipients.

We next address commenter concerns about removing § 1351.16(b) from RHY regulations and the impact that such removal would have on vulnerable youth, including those who identify as "LGBTQ." § 1351.16(b) was added to the RHY regulations in the 2016 Final Rule based on one commenter's request to specifically prohibit conversion therapy. ACF

responded that “[w]e are not aware of any instance where any RHY grantee has used ‘conversion therapy’ or ‘reparative therapy’ to aim to change an individual’s sexual orientation or gender identity. However, we agree it would be wholly inappropriate for this to take place and are amending this final rule to explicitly exclude, by definition, conversion therapy from allowable services and health care services. Additionally, we have revised the final rule by adding a new § 1351.16(b)” Runaway and Homeless Youth, 81 FR 93030, 93045 (Dec. 20, 2016).

As explained in the 2016 Final Rule, § 1351.16(b) is not the only place in regulation that a prohibition on using RHY funds for conversion therapy appears. Both the definition of “counseling services” and the definition of “health care services” explicitly prohibit “any treatment or referral to treatment that aims to change someone’s sexual orientation, gender identity, or gender expression.” *See* 45 CFR 1351.1. The prohibition against using RHY funds remains enshrined in regulation. Removing § 1351.16(b) therefore cannot and should not be viewed as an endorsement of conversion therapy, nor will it weaken protections for vulnerable youth. ACF remains unaware of any instance when RHY funds have been used for conversion therapy, and we maintain that the prohibitions in § 1351.1, which include referrals for such services, are sufficient to prevent grant recipients from using RHY funds for this purpose even when non-clinical staff are involved.

§ 1351.17 How is application made for a Runaway and Homeless Youth Program grant?

This section discusses the process of applying for RHY Program grants. This section is removed as it is unnecessary; it merely directs grant applicants to follow the instructions in the NOFO (references in regulation as “funding opportunity announcements”) without further detail or clarification.

Comments: ACF received one comment opposed to the removal of § 1351.17 arguing that removal will lead to the destabilization of services and confusion related to requirements. The comment raised concerns that annual changes in NOFO content could be confusing for programs applying to and receiving RHY grants.

Response: We acknowledge the commenter’s concerns but disagree that removing this section from the RHY regulations will cause any confusion or destabilization. § 1351.17 provides no substantive guidance and instructs applicants to “follow instructions included in the funding opportunity announcement, which describe procedures for receipt and review of applications.” The section directs applicants to follow the NOFO, which they are already obligated to do. Because NOFOs are issued on an annual basis and may vary from year to year, applicants are expected to review the instructions for preparing an application and the specific requirements set forth in the NOFO applicable to the relevant fiscal year when preparing their submissions. We will proceed with removing this section from the RHY regulations.

Subpart C—Additional Requirements

§ 1351.20 What Government-wide and HHS-wide regulations apply to these programs?

This section is removed because it is duplicative. The section restates a list of Federal regulations applicable to RHY grant recipients and subrecipients without explanation of why each regulation is flagged yet excludes other Federal regulations that apply to all grant recipients and subrecipients. *See* Runaway and Homeless Youth, 81 FR 93030, 93044-45 (Dec. 20, 2016) (“This new list does not attempt to list all of the Federal laws and regulations . . . that pertain to organizations that may be grant awardees.”). The listed regulations apply to RHY grant recipients and subrecipients (and in many cases, all HHS or Federal agency grant recipients and subrecipients) regardless of whether they are included in the RHY regulations, and the arbitrary nature by which the listed regulations were selected for inclusion demonstrates further that this section serves no purpose.

Comment: ACF received two comments regarding the removal of § 1351.20, one supporting removal and one opposing removal. The supporting commenter agreed that the protections detailed in the list of government-wide and HHS-wide regulations can be found elsewhere. A national advocacy organization opposed removal of this section because it contended that § 1351.20 serves as a centralized reminder of RHY grant recipients’ civil rights

and nondiscrimination responsibilities. The commenter argued that deleting this section could reduce clarity on legal obligations applicants and signal less emphasis on civil rights compliance even if the underlying legal obligations still remain. The opposing commenter expressed concern that removing this regulation would threaten civil rights entirely without regulation to create enforcement.

Response: We agree that grant applicants and recipients must clearly understand their legal obligations but disagree that removing this section will make such obligations more difficult to understand. All Federal grant recipients, including RHY grant recipients, are required to adhere to all applicable statutory and regulatory requirements regardless of whether they are expressly stated in the program regulation. *See* 2 CFR 200.300. Applicable civil rights laws are also incorporated in all ACF NOFOs and in the ACF Standard Terms and Conditions, incorporated into Notices of Awards for all ACF discretionary grant recipients, including all RHY grant recipients. *See* ACF Standard Terms and Conditions, <https://acf.gov/grants/manage-grant/grant-award/award-terms>. As such, we will remove § 1351.20 from regulation. .

§ 1351.24 What are the additional requirements that the Basic Center Program grantees must meet?

This section discusses requirements for the Basic Center Program (BCP). This section is removed because it is unnecessary. Grant requirements are better suited for NOFOs or other grant documents, such as supplemental terms and conditions. Further, this section already directs grant applicants and recipients to the NOFO (referred to as the “funding opportunity announcement”) for additional requirements, making any guidance provided by the regulation incomplete. *See* 45 CFR 1351.24(f).

Comment: ACF received eight comments, all from advocacy organizations, opposing the removal of § 1351.24 arguing that it sets the core, legally enforceable baseline for BCP operations and should not be shifted into NOFOs that may change from year to year. Commenters noted that § 1351.24 provides stable program requirements for crisis response and

service quality, including 24/7 intake and shelter access, trauma-informed practice, services for youth and families both inside and outside the shelter setting, and prompt family reunification efforts; they argued that removing it could create confusion, inconsistency, and weaker accountability for grant recipients across funding cycles. One commenter expressed concerns that moving the requirements in § 1351.24 to NOFOs could result in future administrations eliminating the service requirements and expectations.

Response: We agree with commenters that clear program requirements are necessary for grant recipients to effectively carry out the BCP and other RHY grant programs, but we disagree that regulation is the best place for these requirements and, as such, decline to change our proposal to remove this section from RHY regulations. The requirements articulated in § 1351.24 are rooted in the RHY statute, so they will not become, as one commenter contends, “entirely discretionary” if they are moved to the BCP NOFO. The RHY Act requires BCP grant recipients to “develop adequate plans for contacting the parents or other relatives of the youth and ensuring the safe return of the youth according to the best interests of the youth, for contacting local government officials pursuant to informal arrangements established with such officials by the runaway and homeless youth center and for providing for other appropriate alternative living arrangements.” 34 U.S.C. 11212(b)(3). The Act also requires BCP grant recipients to “develop an adequate plan for providing counseling and aftercare services to such youth, for encouraging the involvement of their parents or legal guardians in counseling, and for ensuring, as possible, that aftercare services will be provided to those youth who are returned beyond the State in which the runaway and homeless youth center is located.” 34 U.S.C. 11212(b)(5). The requirements in § 1351.24 provide more detail than the statutory mandates but may be appropriately moved to NOFOs. Because the requirements are closely tied to the statute, commenter concerns that future administrations may fundamentally change them once they are moved to NOFOs are unfounded. Additionally, centralizing requirements in the NOFO reduces

the burden for applicants, who must already review NOFOs in the regular course of applying for grants, to fulfill both best practice and grant requirements.

§ 1351.25 What are the additional requirements that the Transitional Living Program and Maternity Group Home grantees must meet?

This section discusses additional requirements for the Transitional Living Program (TLP) and Maternity Group Home (MGH) grant. This section is removed because it is unnecessary. Grant requirements are better suited for NOFOs or other grant documents, such as supplemental terms and conditions. Further, this section already directs grant applicants and recipients to the NOFO (referred to as the “funding opportunity announcement”) for additional requirements, making any guidance provided by the regulation incomplete. *See* 45 CFR 1351.25(b).

Comment: ACF received eight comments, all from legal and advocacy organizations, opposing the removal of § 1351.25 arguing that it provides an essential regulatory floor for TLP and MGH requirements. As with comments concerning § 1351.24, commenters asserted that removing these requirements from regulation and shifting them to NOFOs would create instability, confusion, and uneven expectations across funding cycles, while weakening the consistent minimum standards that RHY grant recipients rely on for service delivery, compliance, and partnership coordination. Several of the commenters stated that TLP requirements should remain explicit because they define the core model of care for youth, including supportive services tied to long-term stability, and that consolidation would blur important distinctions between RHY program types.

Response: We acknowledge commenter concerns about the importance of the requirements in this section and recognize the necessity of providing consistent, comprehensive guidance for TLP and MGH grant implementation. Nonetheless, we disagree that moving these requirements to NOFOs will create instability, inconsistency, or otherwise weaken RHY grant requirements and intend to remove this section of regulation. Like the BCP requirements in § 1351.24, the TLP and MGH requirements listed in this section expand on requirements in the

RHY Act. *See* 34 U.S.C. 11222(a). The differences between the statutory and regulatory requirements are minimal enough that NOFOs are an appropriate mechanism for providing the additional details currently available in § 1351.25. ACF maintains that such grant requirements are better suited for NOFOs or other grant documents than regulations. Additionally, centralizing requirements in one location, such as the NOFO, reduces the burden for applicants to fulfill both best practice and grant requirement.

§ 1351.27 What are the additional requirements that the Street Outreach Program grantees must meet?

This section discusses requirements for Street Outreach Program (SOP). This section is removed because it is unnecessary. Grant requirements are better suited for NOFOs or other grant documents, such as supplemental terms and conditions. Further, this Section already directs grant applicants and recipients to the NOFO (referred to as the “funding opportunity announcement”) for additional requirements, making any guidance provided by the regulation incomplete. *See* 45 CFR 1351.27(c).

Comment: Eight commenters, all of which were advocacy or legal organizations, oppose removal and describe the section as an important regulatory anchor for the SOP. Commenters argue that it clarifies the distinct purpose of the SOP in relation to other RHY programs, keeps core duties explicit, such as helping youth leave the streets, make safer choices, build trust, and connect to shelter and services, and preserves a consistent minimum standard that should not be left solely to changing NOFO language. Several of these commenters also argue that removing § 1351.27 could create inconsistent expectations across funding cycles and weaken accountability for serving vulnerable youth. One commenter, a national advocacy organization representing several stakeholders, noted that the requirements listed in § 1351.27 are not listed in the RHY Act.

Response: We recognize the importance of distinguishing the SOP from other RHY grant programs and the necessity of listing core duties for the program, but we disagree that removing

§ 1351.27 from the RHY regulations will have the negative impact that the commenters contemplate. We will proceed with removing this section from the RHY regulations. As with §§ 1351.24 and 1351.25, ACF maintains that grant requirements are better suited for NOFOs or other grant documents, such as supplemental terms and conditions. ACF can still ensure that grant applicants and recipients recognize SOP's unique role in the RHY Program if its program requirements are listed in NOFOs rather than in regulation, and, while NOFOs may change annually, we do not believe commenter concerns that program requirements will become unstable as a result is justified.

The statutory authorization for the SOP is less specific than the authorization for the BCP, TLP, and MGH programs. 34 U.S.C. 11261, which authorizes the SOP, does not include detail for the kinds of services that grant recipients must provide beyond a directive to provide “street-based services to runaway and homeless, and street youth, who have been subjected to, or are at risk of being subjected to, sexual abuse, prostitution, sexual exploitation, severe forms of trafficking in persons (as defined in section 7102(9) of Title 22), or sex trafficking (as defined in section 7102(10) of Title 22).” Yet, while § 1351.27 provides more detail about what the required “street-based services” must include, such as “services designed to assist clients in leaving the streets, making healthy choices, and building trusted relationships,” the regulation section still leaves significant ambiguity about the nature of such services and how those services should be delivered. Including the requirements listed in § 1351.27 in NOFOs instead of regulation will therefore not weaken RHY program requirements or jeopardize the standards of the SOP.

VIII. Regulatory Process Matters

Paperwork Reduction Act

Under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*, as amended) (PRA), all Departments are required to submit to the Office of Management and Budget (OMB) for review and approval any reporting or recordkeeping requirements inherent in a proposed or final rule.

This final rule does not contain any information requiring OMB approval under the PRA and, therefore, will not create any new paperwork burdens or modify existing burdens subject to OMB review.

Executive Order 13132

Executive Order 13132 requires federal agencies to consult with State and local government officials if they develop regulatory policies with federalism implications. Federalism is rooted in the belief that issues that are not national in scope or significance are most appropriately addressed by the level of government close to the people. This final rule does not have substantial direct impact on the States, on the relationship between the federal government and the States, or on the distribution of power and responsibilities among the various levels of government. This final rule does not pre-empt State law. The sections the final rule is removing are duplicative and unnecessary regulations from the Family and Youth Services Bureau rules. Therefore, in accordance with Section 6 of Executive Order 13132, it is determined that this action does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement.

Assessment of Federal Regulations and Policies on Families

Assessment of Federal Regulations and Policies on Families Section 654 of the Treasury and General Government Appropriations Act of 1999 (Pub. L. 105-277) requires federal agencies to determine whether a policy or regulation may negatively affect family well-being. If the agency determines a policy or regulation negatively affects family well-being, then the agency must prepare an impact assessment addressing seven criteria specified in the law. ACF believes it is not necessary to prepare a family policymaking assessment because the actions in this final rule will not have any impact on the autonomy or integrity of the family as an institution.

IX. Regulatory Impact Analysis

We have examined the impacts of the proposed rule under Executive Order 12866, Executive Order 13563, Executive Order 14192, the Regulatory Flexibility Act (5 U.S.C. 601-612), and the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4).

Executive Orders 12866 and 13563 direct us to assess all benefits and costs of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits. Rules are “significant” under Executive Order 12866 Section 3(f)(1) if they “have an annual effect on the economy of \$100 million or more; or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or tribal governments or communities.” Executive Order 14192 requires that any new incremental costs associated with significant new regulations “shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least ten prior regulations.” The Office of Information and Regulatory Affairs (OIRA) has determined that this final rule is not a significant action under Executive Order 12866 Section 3(f).

The Regulatory Flexibility Act (RFA) requires agencies to consider the impact of their regulatory proposals on small entities. Because this is simply repealing obsolete and unnecessary language, we certify that the final rule does not have a significant economic impact on a substantial number of small entities.

The Unfunded Mandates Reform Act of 1995 (UMRA) generally requires that each agency conduct a cost-benefit analysis; identify and consider a reasonable number of regulatory alternatives; and select the least costly, most cost effective, or least burdensome alternative that achieves the objectives of the rule before promulgating any proposed or final rule that includes a Federal mandate that may result in expenditures of more than \$100 million (adjusted for inflation) in at least one year by State, local, and tribal governments, in the aggregate, or by the private sector. Each agency issuing a rule with relevant effects over that threshold must also seek input from State, local, and tribal governments. The current threshold after adjustment for

inflation is \$193 million, using the most current (2005) Implicit Price Deflator for the Gross Domestic Product. This final rule would not result in an expenditure in any year that meets or exceeds this amount.

VII. Tribal Consultation Statement

Executive Order 13175, *Consultation and Coordination with Indian Tribal Governments*, requires agencies to consult with Indian Tribes when regulations have “substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.” Similarly, ACF's Tribal Consultation Policy says that consultation is triggered for any legislative proposal, new rule adoption, or other policy change that significantly affects Tribes, meaning there exists a reasonable presumption that it has or may have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian tribes, on the amount or duration of ACF program funding, on the delivery of ACF programs or services to one or more Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes.

List of Subjects in 45 CFR Part 1351

Administrative practice and procedure, Grant programs-social programs, Homeless, Reporting and recordkeeping requirements, Technical assistance, Youth

For the reasons set forth in the preamble, ACF amends 45 CFR part 1351 as follows:

PART 1351 – RUNAWAY AND HOMELESS YOUTH PROGRAM

1. The authority citation for part 1351 continues to read as follows:

Authority: 42 U.S.C. 5701.

§§ 1351.10, 1351.11, 1351.12, 1351.13, 1351.14, 1351.15, 1351.16, 1351.17, 1351.20, 1351.24, 1351.25, and 1351.27 [Removed and Reserved]

2. Sections 1351.10, 1351.11, 1351.12, 1351.13, 1351.14, 1351.15, 1351.16, 1351.17, 1351.20, 1351.24, 1351.25, and 1351.27 are removed and reserved.

Robert F. Kennedy, Jr.,

Secretary

Department of Health and Human Services

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