

July 2, 2026

Russell Vought
Director
White House Office of Management and Budget
725 17th Street, NW
Washington, D.C. 20503

RE: Proposed Rule to Revise the Guidance for Federal Financial Assistance (Docket ID OMB-2026-0034)

Dear Director Vought:

On behalf of the Council of Graduate Schools (CGS), I am submitting comments in response to the Office of Management and Budget's (OMB) proposed rule to revise the Guidance for Federal Financial Assistance. Since the Uniform Guidance provides a framework for the administration of over \$60 billion in federal research programs, as well as federal assistance to programs that millions of Americans rely upon, such as food assistance programs, the opportunity to comment on the proposed rule is especially important to the graduate education community.

CGS is an organization of 400 institutions of higher education in the United States and Canada, along with 24 international institutions. CGS is the only national higher education association solely dedicated to the advancement of graduate education, research, and the preparation of candidates for advanced degrees. Moreover, the CGS member-institutions educate, train, and prepare more than 1.7 million graduate students to be contributors to the nation's workforce.

As a longtime and active member of the higher education community, CGS supports and has signed onto the comments submitted by the American Council of Education and the broader higher education community. Therefore, we will be limiting our comments to the topics below:

At the outset of the proposed rule, OMB states that it is proposing revisions to the Uniform Guidance in order to "improve transparency, accountability, and the oversight for federal awards across the federal government." While these are important goals, CGS and our member institutions have serious concerns about several of the proposed revisions to the federal grantmaking framework. Thus, we strongly urge OMB to withdraw this proposed rule and provide the higher education community, as well as other stakeholders, the opportunity to engage OMB in the drafting of guidance for federal financial assistance.

[2 C.F.R. Part 200]

CGS is concerned about the reclassification of 2 C.F.R. Part 200 from "guidance" to a binding OMB "regulation." On June 2, 2026, Ropes & Gray LLP published an analysis of the proposed rule in which it noted that "The Uniform Guidance currently states at 2 C.F.R. §1.105 that publication in the Code of Federal Regulation does not change its nature – it is guidance, not regulation." The analysis then states, "Upon implementation of the proposed rule, participating agencies will amend the regulatory text of 2

C.F.R. Part 200, and those changes will apply government-wide on the effective date of OMB’s final rule, without requiring each federal agency to adopt separately those amendments through the agency’s own rulemaking process.”¹ This distinction matters in practice because reclassification as a binding regulation would eliminate the individual notice and comment rulemaking that agencies currently must complete before adopting Part 200 changes, foreclosing further opportunities for stakeholder input at the agency level and making future revisions considerably harder to challenge on procedural grounds. The proposed change from guidance to regulation seems to be a circumvention of the procedures required for Federal agencies to update agency guidance. For this and other reasons that will be mentioned in this letter, CGS urges OMB to reconsider and withdraw the proposed rule in its current form and provide interested stakeholders with the opportunity to discuss the redrafting of this guidance.

[§200.205] Federal Agency Review of Merit Review Proposals

For decades the peer review process has been utilized across the federal government to evaluate and assess grant applications and proposals, contracts, and scholarly manuscripts and publications. The peer review process has proven to be a thorough, comprehensive, and effective process that has resulted in the awarding of federal funds to support significant, groundbreaking scientific research and discoveries. The reason for America’s success in all areas of scientific research is due in large part to the rigorous review of research proposals conducted by subject-matter experts within the federal government, academia, and broader science community. Unfortunately, the proposed rule seeks to undo the peer review process.

Section 200.205(b) of the proposed rule includes seriously concerning provisions; all of which were included in the August 5, 2025, Executive Order 14332, “Improving Oversight in Federal Grantmaking.” The proposed rule states that as part of the pre-issuance review that senior appointees must apply several principles when reviewing federal award proposals, including: (1) making awards that advances the president’s policy priorities; (2) awards must not promote anti-American values; and (3) preference for discretionary awards should be given to institutions with lower indirect cost rates. Notably, §200.205(c) states that “senior appointees or their designees must not ratify or routinely defer to the recommendations of others but must instead use their independent judgment when evaluating award proposals.”

Unfortunately, this section introduces a new layer of political review into the merit review process, without giving any serious and meaningful consideration to its impact on the fundamental scientific research conducted at the nation’s colleges and universities. This section of the proposed rule will limit the scope of the science supported by the federal government to the president’s priorities, without giving consideration to all areas of scientific research that require support from the federal government. It unnecessarily introduces the notion of “anti-American values,” without providing a clear definition of what that actually means, and says if all things are equal, institutions with the lowest indirect cost rate should be granted awards. These and the other principles listed in §200.205(b) and §200.205(c) are contrary to the longstanding merit and peer review processes utilized by federal government agencies.

The most alarming part of this section is the idea that senior appointees or their designees must not ratify or routinely defer to the recommendations of subject-matter experts when reviewing and evaluating grant proposals. The recommendations of subject-matter experts in federal agencies, academia, and in the

¹ Mark Barnes, et al, [OMB Proposed Revisions to the Uniform Guidance: Key Takeaways for Award Recipient Organizations](#) (June 2, 2026).

broader research community should not be viewed as merely advisory; they should be given serious consideration and be determinative in making all final decisions in the awarding of grants and contracts. To rely on the “independent judgment” of senior appointees – who may have no issue-area expertise -- to make decisions about discretionary grant proposals will seriously compromise the quality and integrity of federally-funded research projects. Moreover, it may result in the American public calling into question the fairness of federal funding decisions and place the United States at a disadvantage in remaining globally competitive with China, countries in the European Union, and other competitor countries.

[§200.220] Foreign Collaborations

For the United States to remain at the forefront of scientific research, technology, and innovation, continued engagements with our international partners are absolutely essential. Unfortunately, “§200.220 establishes a government-wide baseline rule prohibiting recipients and subrecipients from using Federal funds to support bilateral or multilateral collaborations, agreements, programs, or activities with covered foreign countries or covered foreign entities, unless expressly authorized by Federal statute or approved by the Federal agency.” This section of the proposed rule also states, “The prohibition would apply regardless of whether Federal funds are used for direct programmatic activities, research, technical assistance, travel, or indirect costs allocated to such collaborations.” This proposed rule significantly broadens the Wolf amendment which only prohibits bilateral engagement between the United States and the People’s Republic of China and Chinese-owned companies to federally appropriated funds for the National Aeronautics and Space Administration and the Office of Science and Technology Policy.² The Wolf amendment’s restrictions apply, narrowly, reaching only NASA and the Office of Science and Technology Policy. Section 200.220 would extend comparable restrictions government-wide, sweeping in the National Institutes of Health, National Science Foundation, Department of Energy, and dozens of other agencies whose funding supports the vast majority of academic research collaborations. By restricting bilateral and multilateral collaborations and projects with valued international partners, the United States will be intentionally limiting our opportunities to lead and actively participate in groundbreaking research projects taking place around the world. Moreover, our standing as the global leader in scientific research will be diminished and the ability to attract and retain world-class talent to our universities will be reduced, if not suffer long-term damage.

[§200.340] Termination and Suspension

In July 2020, the United States celebrated the 75th Anniversary of Vannevar Bush’s visionary report, “Science -- The Endless Frontier.” This report “made the case for why the United States. should continue its investment in fundamental science and engineering research.”³ Embedded in the report is the belief that all fundamental scientific research should be supported, not just the few priorities of a presidential administration. The report’s central insight, that transformative discoveries cannot be predicted or directed in advance and therefore require sustained investment across the full range of scientific inquiry, not only the priorities of the moment, remains the foundation of the federal research enterprise. Section 200.340 departs from that principle by tying continued funding to shifting policy priorities rather than to

² Department of Defense and Full-Year Continuing Appropriations Act for fiscal year 2011 (Pub. L. 112-10)

³ National Science Foundation. (2020, July 17). 75 Years of the Endless Frontier: A Vision for the Future Rooted in the Pas

the scientific merit determined at the time of award. This proposed rule clearly states that federal awards can be terminated if the award “no longer effectuates program goals, Federal agency priorities, or the national interest as they exist at the time of the termination.” While a comparable provision has existed since 2020, the proposed rule substantially broadens the authority of Federal agencies to terminate or suspend awards based on evolving policy priorities and the national interest. It should be noted that this proposed rule does not give any consideration to whether or not the awardee is performing the agreed upon research project based on the scope of work and the conditions of the award. Simply put, the termination provisions create a level of uncertainty for multi-year projects. The possibility of a termination or suspension of an award because it is deemed not to be in the “national interest” could have a chilling effect on those intimately involved in the conduct of the research, such as principal investigators, graduate students, and laboratory staff. It must also be noted that if there is uncertainty about the future of a federally funded grant, that will directly impact fellowships, traineeships, and assistantships for graduate students.

Thank you for the opportunity to submit comments concerning the proposed changes to the Uniform Guidance. As already mentioned, CGS strongly encourages OMB to withdraw the proposed rule and to partner with the higher education community and other stakeholders to review the current guidance. Should OMB decline to withdraw the proposed rule in its entirety, CGS urges that, at a minimum, §200.205(b)-(c), §200.220, and §200.340 be substantially revised or removed before any final rule is issued. The graduate education community stands ready to work with OMB toward a final rule that safeguards the integrity of federally funded research, and we urge the agency to engage stakeholders before proceeding further.

Sincerely,



Chevelle Newsome
CGS President