

OMB Proposed Rule on Uniform Guidance: Immediate Considerations for Research Institutions

Why This Matters

The Office of Management and Budget (OMB's) proposed rule, [*Regulation for Federal Financial Assistance*](#), is one of the most significant proposed revisions to the federal grants framework – the Uniform Guidance – in decades. If adopted, it will have harmful consequences for research and education institutions, public health, and American research and innovation leadership and competitiveness. The Uniform Guidance is the foundation for the administration of over \$60 billion in federal research programs, as well as federal assistance programs such as Medicaid, FEMA, and food assistance programs.

The proposed rule changes the Uniform Guidance from “guidance” into *regulatory policy*, expanding OMB’s authority in policymaking for federal agencies. The proposal would expand the authority of OMB and the Executive Branch and, in some cases, circumvent congressional authority. Additionally, it incorporates elements of several [*executive orders*](#), including provisions that federal awards and subawards not fund, promote, encourage, subsidize, or facilitate diversity, equity, and inclusion, gender ideology, or gender-affirming care. Among the over 320 revisions proposed, there are numerous technical and administrative changes that substantially impact how federally funded research is awarded, administered, and monitored. The revisions would *increase* administrative and compliance burdens on research institutions, expand institutional risk and liability, require recipients to bear a greater share of the costs associated with federally funded research and training activities, and ultimately slow U.S. scientific discovery.

The proposal is currently open for public comment until July 13, 2026. The notice states that the final regulation will be effective October 1, 2026. Given the breadth of the proposed changes and the relatively short comment period, all research institutions are urged to respond and begin assessing impacts immediately. A high volume of public comments will help build a substantial administrative record.

5 Key Issues for Immediate Attention

1. Expanded Agency Discretion in Funding Decisions (§200.202, §200.204, § 200.205, §200.206)

The proposal places significant emphasis on agency priorities, the administration’s concept of “Gold Standard Science,” and policy considerations in discretionary funding decisions. It deemphasizes merit review and requires politically appointed officials to make grant funding decisions based on the administration's political priorities. It also introduces undefined review terms such as “anti-American values” and requires scrutiny of an applicant’s history of “questionable practices”, including plagiarism;

discredited or non-replicable studies; activities deemed “inconsistent” with federal civil rights or religious liberty laws; and memberships in or affiliations with organizations that “violated Federal laws” or “undermine public safety or national security.”

Why this matters: These provisions affect how research funding decisions are made, including how research opportunities are developed and approved by officials before posting, how research proposals are evaluated, how funding priorities are established, and the extent to which subjective political, programmatic, and policy considerations affect funding decisions.

2. Expanded Suspension and Termination Authorities

(§ 200.340-200.343)

The proposal expands agency authority to suspend or terminate awards based on agency priorities, program goals, and/or political determinations of the national interest, regardless of whether the recipient is performing the project per the approved scope of work. Terminations may be made to “a class of award,” not just individual grants. Termination for the government’s convenience, e.g., for changes to administration priorities, may not be appealed.

Why this matters: These proposed provisions would increase uncertainty for multi-year projects (such as clinical trials), research centers, graduate student enrollments, workforce planning, and other long-term investments that depend on policy stability that enables researchers and their institutions to achieve the national competitiveness goals of federal research grants.

3. Changes to Allowable, Unallowable, and Indirect Costs

(§ 200.205, § 200.432, § 200.454, and § 200.461)

Changes to the indirect cost rate negotiation system are not proposed. However, the proposal states that, all else being equal, agencies should prefer applicants with lower indirect cost rates in discretionary funding decisions.

The proposal disallows several necessary costs. For example, publication costs, including article processing charges, *or similar open access fees for professional journal publications and other peer-reviewed publications*. These are unallowable unless expressly required by statute or approved in advance by the federal agency. With no exception, *subscriptions to business, professional, academic, and technical periodicals are unallowable*. The proposed rule also permits costs for attending conferences only if participation in the conference is expressly approved by the agency. Costs of memberships in professional organizations are allowable only if necessary to fulfill award requirements.

Why this matters: While OMB states that the proposed revisions do not address the indirect cost rate negotiation system, and the proposal does not directly cap negotiated F&A rates, it would reduce indirect cost reimbursement through broad disallowance of some costs. This has implications for the institutional infrastructure that supports research, including compliance, cybersecurity, research security, animal care, facilities, grants administration, and other research support functions. Furthermore, any disallowance of publication or conference costs would increase the costs to institutions, limit dissemination of federally funded research findings, and restrict professional development collaboration important to the training of future STEM experts.

4. Restrictions on International Collaboration and Expanded Oversight of Subrecipients

(§ 200.220, § 200.329, § 200.331, § 200.332)

The proposal expands the “Wolf Amendment,” which currently prohibits NASA funds from use in support of a bilateral or multilateral collaboration, agreement, program, or activity with a covered foreign country or covered foreign entity to all federal agencies. The proposal also places increased emphasis on subrecipient monitoring, affiliate relationships, ownership transparency, foreign relationships, and downstream accountability.

Why this matters: Restricting international engagement broadly – rather than targeting specific, verified risks – fragments the global research enterprise, diminishes U.S. scientific leadership, and impairs the ability of American universities to attract and retain world-class talent. Institutions with significant subaward portfolios, affiliated entities, international collaborations, or foreign subrecipients would face increased compliance, reporting, and oversight obligations.

5. Elimination of Fixed Amount Awards and Subawards

(§ 200.201, § 200.333)

The proposal would largely eliminate fixed amount awards and subawards except where specifically authorized by statute.

Why this matters: This represents a significant departure from recent efforts to reduce administrative burden and costs. The proposal will increase documentation, invoicing, monitoring, and oversight requirements across the research enterprise. It also reduces the ability to manage financial risk through appropriate use of fixed amount subawards.

Preparing Institutional Responses

Given the potential significance of the proposal and limited comment period, institutions are strongly encouraged to engage early, coordinate internally, and prepare data-supported comments for submission to OMB. It is important that institutions develop a meaningful response by using institution-specific data, examples, and other information needed to support comments addressing specific potential impacts of these changes. Evidence-based comments that demonstrate practical impacts on research, research operations, administration, costs, and institutional capacity will be most effective.