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Acting Controller John C. Pasquantino
Office of Management and Budget
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Thank you for the opportunity to comment on the proposed Office of Management and Budget (OMB) regulations relating to Guidance for Federal Financial Assistance. We are writing as cross-disciplinary experts at the Center for American Progress (CAP), an independent, nonpartisan policy institute, to share grave concerns about the impact these changes will have on American scientific research, the innovation economy, U.S. economic prosperity, and our country's global standing. The proposed rule violates the laws governing agency rulemaking as well as the constitutional rights of Americans. The proposed rule [exceeds the authority](#) of the Director of OMB to establish financial management policies and requirements, [violates](#) First Amendment and equal protection rights, and infringes upon Congress' authority over federal spending by unilaterally adding conditions to Congressional appropriations. We strongly urge the OMB to rescind this proposed rule, allow agencies to exercise their statutorily defined powers independently to set grant conditions and funding rules for the federal funding programs, and work to strengthen the independence, rigor, and dissemination of American scientific research and grantmaking.

The proposed revisions to the [uniform grants guidance](#) that govern the expenditure of federal funds will make all federal grants, which currently total more than [\\$1 trillion annually](#), subject to politically motivated decision making. If finalized, this rule would further institutionalize the Trump administration's attacks on science and research. The rule would make permanent through federal regulation continued actions by the administration such as the [termination](#) of \$40 million in National Institutes of Health (NIH) grants for more than 50 autism-related research projects that explore the association between autism and environmental exposures, in contrast with Health and Human Services (HHS) Secretary Robert F. Kennedy's false belief that autism is linked to vaccines. HHS also cancelled millions of dollars in [teen pregnancy prevention grants](#), stating that they did not align with the Department's priorities.

More broadly, the proposed policy stands to undermine the United States' science and technology advantage, reducing the future prosperity on which American leadership rests. The United States' unparalleled innovation ecosystem was developed with federally funded research and development (R&D) grants at its core. For decades, the system spurred the development of new scientific ideas and new technologies that now define our world. This was not by accident. It was the product of non-political R&D investments that enjoyed the support of policymakers from both political parties.

Public funding for R&D is a [major driver](#) of economic activity, supporting private sector productivity and prosperity for communities across the country—not to mention an influence over global affairs that simply would not be possible without the commercialization of new technologies by U.S. companies. By one [estimate](#), postwar federal R&D funding provided returns of 140 percent to 210 percent, helping American firms bring countless technologies to market—from the Internet, to smartphones, to advanced batteries, and lifesaving medicines. The development of these world-altering technologies was not a partisan affair, but rather the result of nonpartisan, scientific excellence—often conducted by researchers at the nation's world-class universities, many of whom were immigrants.

At a moment when China is increasing its investment in things like [artificial intelligence](#) and [robotics](#) that will define the future, it is stunning and tragic that the Trump administration would seek to inject politics into the science and innovation system that the United States needs to compete effectively. Indeed, the administration's actions will only continue to push leading researchers away, allowing other countries to [capture](#) the talent and progress associated with leading scientific research.

The American innovation ecosystem evolved as a partnership among private industry, early-stage investors, and non-political, federally funded research. Politicizing the federal funding component of this three-legged stool won't create a more stable innovation environment; it will constrict the pipeline of new ideas and new technologies that enable the rest of the system to flourish. As such, it won't just be the researchers who will feel the impact of the proposed guidance, but the private sector, and the country as a whole.

Undermining peer review and “gold standard science”

Provisions §200.205(d) and §200.205 of the OMB proposed rule would replace the scientifically rigorous, fair, independent, and unbiased peer review process, which has been used to determine federal research funding since World War II, with the biases and agendas of political appointees, undermining agency expertise and diminishing the capacity to advance science and improve health. Subjecting all federal grants to review by political appointees and replacing decisions based on scientific expertise will weaken the quality of scientific research and undermine confidence of the American public in scientific innovation. These provisions must be removed to

avoid harm to community-based organizations, health care providers, schools, and private sector productivity and growth throughout the nation.

These provisions also run counter to the administration's stated goal of "restoring trust." [Australia](#), which rolled back peer review processes purportedly to increase efficiency and decrease costs, has faced criticism from the scientific community about the reliability, credibility, fairness, and accountability of the new system, serving as an example of the dangers of rolling back peer review.

The OMB proposed rule also runs counter to President Trump's own Executive Order 14303, [Restoring Gold Standard Science](#), which calls for federally funded research that is "transparent, rigorous, and impactful," and federal decisions that are "informed by the most credible, reliable, and impartial scientific evidence available." In fact, the executive order states that "reproducibility, rigor, and unbiased peer review must be maintained." Gold standard science is defined in the executive order, among other ways, as "science conducted in a manner that is [...] subject to unbiased peer review."

Cutting grants for health, environmental, biotechnology, and basic science research, including training programs for scientists and entrepreneurs, will: [stall innovation](#) that drives new products therapies, and medications; delay treatments for diseases such as cancer; shrink the economy; and threaten [jobs](#) for young scientists who may choose to work in other countries, leading to poorer health, more hospitalizations and emergency department visits, preventable deaths, and higher health care costs. According to one estimate, cuts to NIH would result in a future reduction in health worth [\\$8 trillion](#). Another estimate found that in fiscal year 2023, NIH funding supported more than [410,000 jobs](#) throughout the country and fueled nearly [\\$93 billion](#) in economic spending. Cutting federal science and health research grants would [harm the economy](#) of every state. The United States will lose its status as a leader of scientific innovation, harming the nation's health, economy, and U.S. competitiveness.

Beyond politicizing scientific research, the proposed rule applies to [federal grants](#) that support public safety, education, economic development, access to health and social services, environmental protection, transportation, housing, and child welfare programs including topics that the administration claims to prioritize, such as chronic disease, healthy pregnancies, children's health and autism. It will harm community-based organizations, health care providers, schools, and private sector productivity and growth throughout the nation.

Creating instability and reducing independence in science

The proposed rule does not withstand legal scrutiny in its validity. The overly broad language and subjective approval or denial of grants by political appointees gives rise to the appearance that it is arbitrary and capricious in its application and will impinge on Americans' and institutions' constitutional and statutory rights. Further, the subjective nature of the process

undermines scientific independence, gives the process the appearance of corruption, and makes fraud more likely to occur. As a result these provisions must be excluded.

The proposed rule is self-contradictory to the point of being arbitrary and capricious. Section 200.205 requires agencies to design and execute an *objective* merit review process but immediately injects the requirement that political appointees conduct a *subjective* review to determine whether the applicant is demonstrably “advancing the President’s policy priorities.” Requiring subjective political review of scientific grants immediately abrogates the independence of agencies’ non-political officials designated to advance the agencies’ missions as directed by congressional mandate and statute.

Moreover, the requirement that §200.205 comply with §200.300 renders any objective merit-based process effectively meaningless when applied by political appointees conducting subjective reviews. Section 200.300 prohibits grant awards from flowing to or through entities that “promote, encourage, subsidize, or facilitate,” “diversity, equity, inclusion, and accessibility,” gender ideology, or the transition of a minor. There is no statutory or judicial definition identifying or delineating what actions or speech constitutes unlawful “diversity, equity, inclusion, and accessibility,” and Executive Orders do not carry the weight of statutes in delineating what is and is not defined in the law.

This gives rise to significant concern that the rulemaking will impinge on Americans’ and American entities’ constitutional rights. Under this rulemaking, definitions of prohibited conduct and speech outlined above are inherently vague and may be discretionarily applied according to the subjective views of a non-expert political appointee in an arbitrary and capricious manner. The Supreme Court has long held that government actions may be void for vagueness if prohibitions are not clearly defined under due process rights, as laws must “give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly.” *See, Grayned v. City of Rockford*, 408 U.S. 104 (1972). The court noted that where a vague law “‘abut[s] upon sensitive areas of basic First Amendment freedoms’ it ‘operates to inhibit the exercise of [those] freedoms.’” *Id.* Indeed, federal courts have [already blocked](#) the administration’s efforts to defund educational entities under a sweeping prohibition against “unlawful DEI” as a violation of due process due to vagueness.

Though the rulemaking purports to disclaim the Spending Clause provisions inherent to §200.300 as related to §200.340, the unduly vague nature of the basis for discretionary termination of grants remains problematic. Section 200.340 allows political appointees to arbitrarily and capriciously terminate grants at any time on the vague bases that they no longer comport with the “national interest” or “public interest” and that providing such information at the outset abrogates the reliance interests of grant recipients. That argument falls on its face at the outset, as a political appointee’s determination of what constitutes the national or public interest may change at any time, let alone when there is a change of administrations. The purpose of science is to advance humanity in an independent and rigorous manner, not dependent on the

whims of politics. This amendment to §200.340 does away with that and retains the due process and First Amendment concerns highlighted above.

The rulemaking creating discretionary grant funding on non-competitive bases under §200.204 also undermines independence in science and creates an appearance of corruption in the process. This could very well eliminate the objective competitive grantmaking process to provide funds to politically favored recipients in ways undetectable by the public and result in unchecked wasteful spending of public tax dollars. By this amendment, there is nothing to stop grants from being provided to politically favored, but ineffectual grant applicants on the basis of little more than the preference of the individual or entity approving the grant, again giving rise to at a minimum the appearance of corruption and at worst potential claims against the grantor and grantees of honest services fraud.

Hampering scientific discovery by limiting professional collaboration and the dissemination of research findings

In addition, several provisions in the proposed rule would create barriers for scientific collaboration and communication, both domestically and abroad. Consequently, these provisions must be rescinded.

Research [shows](#) that collaborative research has a greater impact, as papers with authors from multiple institutions receive significantly more citations and teams with researchers from multiple disciplines outperform those with researchers from a single field. International scientific collaboration [similarly](#) leads to stronger research outcomes, as diverse teams of researchers are better equipped to foster [innovation](#) and advance solutions to [global problems](#).

Section 200.220, “Prohibition on using Federal funds for covered foreign collaborations,” would go beyond reasonable limits on international engagement for national security concerns to prohibit engagement with countries deemed “of particular concern” or those “subject to sanctions or restrictions relating to national security, defense, or intelligence activities.” Researchers and research institutions are [already required](#) by law to comply with relevant restrictions on any transaction involving activities in a country subject to comprehensive or targeted sanctions, or to any entity or individual on the Office of Foreign Assets Control Specially Designated Nationals list, Consolidated Sanctions List, or other restricted party lists. These new designations risk being overly broad and limiting scientific collaboration in ways that will hinder research, innovation, and economic growth.

In addition, the “domestic-first framework” described in §200.202(e) would unnecessarily restrict international collaboration by requiring that any “international elements” of a research grant to be affirmatively allowed by agency grantmakers with a strict set of requirements that the international collaborator has unique expertise or other resources not available in the United

States. These additional bureaucratic barriers will reduce the number of international research partnerships in ways that will hamper innovation.

Finally, the proposed regulations would further limit scientific collaboration both domestically and internationally by requiring express agency approval for researchers attending conferences (§200.432) and participation in scientific membership organizations (§200.454). Both [conferences](#) and [membership organizations](#) are fundamental ways researchers exchange ideas, share knowledge and tools, think across disciplines, and build new partnerships. Restricting the flow of ideas by requiring agencies to affirmatively approve every conference and organization in which a researcher participates is an extraordinary amount of new red tape that unnecessarily micro-manages research, restricts the ability of researchers to adapt as their research projects evolve, and ultimately will slow the progress to knowledge and innovation.

In addition, §200.461 and §200.421 would create new barriers that would prevent scientific findings from being communicated with other researchers and the public. Section 200.461 would “make publication costs unallowable unless such costs are expressly required by statute or approved in advance by the Federal agency on a case-by-case basis.” While OMB writes that “[p]ublication costs are not inherently necessary to carry out the core programmatic objectives of most Federal awards,” the publication process is an inherent and [necessary](#) part of validating research findings through the peer review process and making these research findings available to other scholars who can build upon them. A 2021 [analysis](#) found that publication costs for scientific articles averaged about \$400, with fees for prestigious journals reaching \$1,000. These fees are higher for open access publishing, where the author(s) pay an [article processing charge](#) (APC) to compensate the publisher for revenue lost when making the article available to the public for free. One [publisher](#) provides a range of \$500–5,000 for APCs depending on the journal. Supporting open access publishing for federally funded research helps ensure the public has the greatest possible access to research findings that were made possible by taxpayer dollars. Similarly, §200.421 makes “all advertising and public relations costs unallowable with limited exceptions.” Such a policy change would create barriers to communicating research findings with the public. In areas such as public health, for example, this restriction could lead to measurable impacts on health outcomes, as [demonstrated](#) by the COVID-19 pandemic.

Restricting free speech in research and program services

CAP strongly opposes the proposed changes outlined in §200.300. First and foremost, this section violates the First Amendment rights of grant recipients and their host institutions despite OMB’s erroneous claims to the contrary. The federal government can only impose restrictions on direct funding recipients and does not have the power to require such broad activity and speech restrictions on individuals or institutions who do not receive federal funding. As discussed in the following paragraphs, OMB lacks the legal authority to impose unconstitutionally vague and overbroad rules that censor grant recipients based on ideology. These provisions must be withdrawn.

The legal arguments presented by OMB in the proposed rule do not match the actual changes in §200.300. OMB acknowledges that the government cannot restrict speech or activity outside of the scope of funding, while simultaneously proposing that recipients adhere to extremely strict discriminatory certifications and limit their abilities to express belief in, or conduct activity referencing, DEIA ([EO 14173](#)), what the government terms “gender ideology” ([EO 14168](#)), or providing safe and legal health care to transgender youth under 19 ([EO 14187](#)). From an administrative perspective, these provisions are overly vague to the point of being arbitrary and capricious. It places agencies, applicants, and funding recipients in an extremely precarious position by pitting this proposed rule against existing federal laws. The purpose of regulation is to clarify and implement law, not to confuse it.

Secondly, the proposed rule relies on several executive orders as justification to condition funding on anti-DEI and anti-LGBTQI+ certifications of grant recipients. [Many of these executive orders](#) have been successfully challenged in courts. While the president holds the authority to direct agency action, he cannot force agencies to break the law. As written, the proposed rule would put many agencies and programs in that position (see [RFK Center for Justice and Human Rights v. McMahon](#)). We disagree with OMB’s assessment that a previous administration providing funding for certain targeted projects would *de facto* grant the current administration the right to restrict speech that is incidental to the management and utilization of federal funding assistance (see [Rhode Island Latino Arts v. National Endowment for the Arts](#)). OMB’s provided explanation of their statement “[to the extent possible under federal law](#)” clearly demonstrates the [arbitrary and capricious](#) nature of this proposed rule.

Finally, we wholeheartedly disagree with the government’s claims that (1) projects that operate from a framework of DEIA and/or focus on transgender individuals are “[ideological](#)” and (2) that any government can utilize funding conditions to censor what it deems to be ideology. If the current administration wants to adjust funding conditions to reflect their priorities, it should instead positively enumerate those areas rather than impose discriminatory restrictions.

The Supreme Court has long [recognized](#) that while the government may condition funds on staying within the contours of a program it specifically created and defined, it may not condition funds on a recipient’s affirmation of a belief, or suppression of speech, that reaches beyond the specific funded project into the recipient’s broader scholarly work. Every American—including federally funded researchers—has a First Amendment right to study any subject they choose. Combined with §200.300’s open-ended “facilitate” language, the rule risks exactly the institution-wide chilling effect the [Supreme Court rejected in previous cases](#): a university researcher whose federal grant covers one study could be deterred from investigating racial or LGBTQ health disparities in adjacent, non-federally-funded work, for fear of jeopardizing the institution’s broader federal funding. More to the point, it is unclear if researchers at one institution would face grant funding

prohibitions if separate parties engaged in research that is deemed prohibited under the edicts of §200.300. Because §200.300 does not define “DEI” with precision and extends liability to “facilitation,” it is unconstitutionally vague and overbroad.

“DEI” is not a discrete category of activity that can be excised from federal research without collateral damage—it is embedded in the basic practice of asking whether a treatment, policy, or disease behaves differently across populations. Three examples illustrate why a blanket prohibition will suppress research that has nothing to do with any contested political ideology, and that has everything to do with whether people live or die. Erasing DEI from federal regulation does not erase the underlying social and health problems that exist in our society—it only erases our capacity to see and respond to such problems.

Life-saving treatment research: Demographic disaggregation in clinical trials, by race, sex, and age, is how researchers catch differential drug efficiency and adverse-event rates before a treatment reaches the broader public. Grant terminations already tied to anti-DEI enforcement have disrupted 160 NIH-funded clinical trials, more than half of which involved Black, Latino, Indigenous, Asian, and other historically underserved populations, and researchers from those same racial and ethnic demographics were [more likely](#) to have their grants terminated than white researchers. The rules do not merely freeze a topic; it removes the researchers from studying it.

Maternal health: Black women are at least three times more likely to die from pregnancy related causes than white women, most of those deaths are preventable; a fact knowable only because federal data and research [disaggregate](#) maternal mortality by race. This came to sharp relief in Rep. Summer Lee’s remarks during an April 17, 2026, House Committee on Education and Workforce hearing, where she [pressed Secretary Kennedy](#) on reports that HHS had directed programs to remove nearly 200 words and phrases from funding applications, including the word “Black,” and asked how the maternal mortality crisis could be solved if agencies could not even name the population most affected. That exchange is direct evidence that the practical effect of anti-DEI restrictions is to make it administratively unsafe to identify the population at risk—not merely to prohibit some discrete, severable “DEI program.”

HIV/AIDS surveillance, outreach, and programming: CDC’s routine HIV surveillance reports do not break down data by gender identity, even though research shows transgender women have a disproportionately high rate of HIV. Public health [researchers](#) have warned that an HIV prevention policy which fails to tailor outreach and services to communities most affected can increase stigma and make engagement harder, eroding trust that has been built over decades. Moreover, the current wave of anti-gender ideology and anti-DEI policy has been described in [public health literature](#) as silencing and erasing research on health disparities among LGBTQI+ people and racial and ethnic minorities, which is the opposite of the “efficiency project delivery” OMB cites as this rule’s purpose.

Moreover, disaggregated data by race shows that white people, particularly those of low income, [die at higher rates](#) than the Asian or Hispanic population. Studies that disaggregate outcomes by race to understand these trends are now prohibited by the administration due to anti-DEI restrictions. Our research and policy analyses have demonstrated that erasure of language does not resolve the challenges that people face in their lives. Diversity of intellectual thought and research is paramount to advancing science and protecting the well-being of all Americans.

Last, §200.477 would illegally expand the Hyde Amendment, which prohibits the use of certain federal funding to pay for abortion, subject to limited exceptions. Rather than being a permanent law, the Hyde Amendment has been attached annually as a [temporary “rider”](#) to the Congressional appropriations bill for HHS. Section 200.477 purports to apply Hyde-like restrictions to all federal grantmaking, including to areas that have previously not been subject to Hyde. However, OMB lacks the legal authority to change the scope of funding limitations enacted by Congress through the appropriations process, including attempting to apply Hyde to additional funding streams, impose permanent restrictions on future federal funds, or expand the limitation on funding to “costs associated with abortion” without defining the meaning of this phrase.

Conclusion

If finalized, this rule would have far-reaching, negative impacts on the American scientific enterprise. The proposed changes would undermine the foundations of scientific research, from the reliance on peer review to a commitment to address understudied problems and collaborate to maximize impact. It would have a far-ranging impact on grants across issues, harming productivity and growth throughout the nation. With the [range](#) of [significant](#) legal [issues](#) in the rule as written, these proposed regulations exceed agency authority. The Center for American Progress strongly urges the Office of Management and Budget to rescind this proposed rule.

Sincerely,

Jill Rosenthal, Director, Public Health Policy

Sara Partridge, Associate Director, Higher Education

Devon Ombres, Senior Director, Courts and Legal Policy

Haley Norris, Policy Analyst, LGBTQI+ Policy

Mariam Rashid, Associate Director, Racial Equity and Justice

Ryan Mulholland, Senior Fellow, International Economic Policy