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Comment on Proposed Regulation for Federal Financial Assistance
Docket Number OMB-2026-0034

Public Citizen submits this comment on proposed revisions to Office of Management and Budget (OMB) Uniform Guidance for Federal Financial Assistance and the conforming changes proposed by forty-one other federal agencies.

Founded in 1971, Public Citizen is a national nonprofit consumer advocacy organization with over one million members and supporters nationwide. Among other things, Public Citizen supports development of safe and effective drugs and medical devices; and improving the quality, affordability, and availability of health care. As a result, Public Citizen champions—and relies upon—high quality, government-funded medical research.

This comment addresses some of the catastrophic impacts the proposed rule would have on the enterprise of medical research in the United States. If adopted, the changes to the Uniform Guidance would disrupt ongoing grant-funded research, jeopardize future research, and impede the dissemination of research findings. Each of these effects alone would be reason enough to reject the proposed rule. In tandem, these effects would devastate the development of scientific knowledge in this country, waste American taxpayer resources, and threaten the health and wellbeing of the American people. OMB should withdraw the proposed rule in its entirety. Section-by-section analysis follows.

I. [200.205] - Federal Agency Merit Review of Proposals

Consistent with longstanding policies and principles, grant proposals for scientific research projects are currently evaluated through peer review by subject matter experts who assess proposals for their potential to make valuable contributions to the body of scientific knowledge. Funding decisions are "almost entirely driven by science," and "[o]nce funded, the proposed work proceeds, unless the grantee fails to perform it, for the period designated at the time of the funding

decision."[1] This system embodies the recognition that "[s]cientific progress on a broad front results from the free play of free intellects, working on subjects of their own choice, in the manner dictated by their curiosity for exploration of the unknown."[2]

Proposed § 200.205 would fundamentally alter that pre-award review process, putting an end to the freedom of inquiry that has, for decades, made this country a formidable engine of scientific progress. Specifically, it would hand the reins of the pre-award review process from peer scientists to political appointees, and direct those appointees to evaluate proposals not solely on scientific merit but instead on whether the proposed research would, among other things, "demonstrably advance the President's policy priorities."

This shift threatens the foundation on which scientific enterprise in the United States is built. Projects with hypotheses inconsistent with the Administration's political priorities would go unfunded, regardless of their potential to make valuable contributions to scientific knowledge or to advance the health and wellbeing of the American people. And researchers would focus on proposals with hypotheses in alignment with the political views of the current presidential administration, fundamentally altering the range of projects into which researchers invest resources. Due to the iterative nature of scientific development, these pernicious effects would extend to scientific enterprise that is funded entirely by entities outside the federal government: Scientists who do not receive a penny of federal grant funding would be deprived of the chance to build off valuable research that would have been funded based on merit but went unfunded due to political caprice.

In addition to the requirement that grant research advance a President's political priorities, the proposed rule introduces a host of substantive restrictions on scientific research. For instance, discretionary awards could not be used to "promote, encourage, subsidize, or facilitate," among other things, "[i]llegal immigration," denial of the so-called "sex binary," or "initiatives that compromise public safety or promote anti-American values." These restrictions would, in essence,

[1] Editorial, *The OMB and the Politicization of Science*, 395 NEJM 187 (2026), https://www.nejm.org/doi/full/10.1056/NEJMe2608017.

[2] Vannevar Bush, *Science—The Endless Frontier: A Report to the President* 9–10 (U.S. Gov't Printing Off. 1945).

force scientists to adhere to a government speech code and would chill the development of scientific research on a wide range of topics.

What is more, the proposed restrictions are breathtakingly vague. Because researchers would not reasonably be able to predict whether a research proposal would be viewed as "promot[ing], encourag[ing], subsidiz[ing], or facilitat[ing]" the restricted topics, the chilling effect would extend to research proposals that, for example, acknowledge the existence of trans or undocumented people in the United States. The vagueness of these restrictions likewise would permit political appointees to deny, for any reason and with no process for appeal, otherwise meritorious proposals that touch on topics disfavored by the Administration. These restrictions generate obvious and intolerable burdens on the First Amendment liberties of researchers, institutions, and publications, and deny the public access to information that is inconsistent with government orthodoxy.

Similarly, the proposed rule would require pre-issuance review for conformity with "administration policies, procedures, and guidance respecting Gold Standard Science." The term "Gold Standard Science," undefined in the proposed regulation, again would introduce vagueness into the pre-award review process—vagueness that would undoubtedly lead to valuable and meritorious projects going unfunded and to the use of taxpayer resources on projects that lack scientific merit. To the extent the phrase "Gold Standard Science" is defined the same way as in Executive Order 14303—i.e., "science that is conducted in a manner that is: reproducible; transparent; communicative of error and uncertainty; collaborative and interdisciplinary; skeptical of its findings and assumptions; structured for falsifiability of hypotheses; subject to unbiased peer review; accepting of negative results as positive outcomes; and without conflicts of interest"—this provision is in irreconcilable tension with other portions of the proposed rule that introduce bias, politicize the funding of research proposals, encourage conclusions in conformance with the President's policy priorities, and diminish the importance of peer review.

II. [200.206] - Federal Agency Review of Risk Posed by Applicants

Proposed § 200.206 would require an agency to take into consideration specified new factors when evaluating applicant risk. The proposal again generates intolerable uncertainty as to which projects may be funded and gives political appointees sweeping authority to deny grants to projects and institutions disfavored by the Executive. For example, the proposed rule would require agencies to consider an applicant's "[h]istory of questionable practices." Under the proposal, "questionable practices" include, for example, "activities or initiatives that are inconsistent with

Federal civil rights laws." But this Administration has expressed its view that a variety of different widespread policies and practices supporting "diversity, equity, inclusion, and accessibility" violate Federal civil rights laws—although no court has endorsed those views. *See* Exec. Order No. 14173, 90 Fed. Reg. 8633 (Jan. 21, 2025). Scientists therefore have reason to be concerned that past research into issues related to race, gender, disability, sexual identity, and sexual orientation will be interpreted by agencies as "questionable" and lead to denial of future research proposals. The provision will therefore deter some of the nation's best scientists from pursuing federal grant-funded research, in turn depriving the American public of the fruits of their research.

The proposed rule would also require agencies to assess applicant risk based on "membership in or affiliation with organizations engaged in activities that violate Federal law, undermine public safety or national security, or advocate for the overthrow of the United States Government." Again, these terms are vague and, therefore, introduce intolerable arbitrariness into the federal grantmaking process. Researchers would face the risk of their meritorious proposals going unfunded because the Administration looks with disfavor, for example, upon an institution with which they are affiliated. This risk is not theoretical. This Administration has already moved to cancel research grants at universities because it disfavors those institutions for reasons wholly unrelated to the quality of the research they produce.[3] Scientists cannot be expected to perform work that benefits the American public when, for reasons far beyond the control of individual researchers, the Executive Branch may invoke this provision to deny and/or terminate grant-funded research. Scientific progress would suffer, as would the American people.

III. [200.218] - Prohibition of Using Federal Awards to Promote or Support Theories of Disparate-Impact Liability

As with other newly proposed pre-award requirements, proposed § 200.218 would burden free speech and demonstrably harm the American public by cutting off important—and in many

[3] *See, e.g.*, *President & Fellows of Harvard Coll. v. U.S. Dep't of Health & Hum. Servs.*, 798 F. Supp. 3d 77, 122 (D. Mass. 2025) (noting that the decision to freeze and ultimately terminate nearly $2.2 billion in federal grants to Harvard University "was much more about promoting a governmental orthodoxy in violation of the First Amendment than about anything else, including fighting antisemitism"); *DOJ, HHS, ED, and GSA Announce Initial Cancelation of Grants and Contracts to Columbia University Worth $400 Million*, U.S. Dep't of Educ. (Mar. 7, 2025), https://www.ed.gov/about/news/press-release/doj-hhs-ed-and-gsa-announce-initial-cancelation-of-grants-and-contracts-columbia-university-worth-400-million.

cases lifesaving—avenues of research. Section 200.218 would prohibit the use of federal award money to support "disparate-impact studies," out of concern that such research could support "disparate-impact liability" theories that this Administration disfavors. The proposed rule defines "disparate-impact liability" theories as those in which "a facially neutral policy or practice" gives rise to a presumption of unlawful discrimination "where there are any differences or disparities in outcomes" among races, sexes, or other groups with federally protected characteristics. In other words, the Administration seeks to leverage an objection to how disparate-impact theories operate in the *law* to willfully obscure the existence of the disparities *at all*.

One need not strain imagination to conceive of crucial avenues of medical research that could be forbidden by the government under this provision: Any study that would tend to support the conclusion that women, racial minorities, disabled people, or LBGTQ people experience a facially neutral practice differently than do white, able-bodied, straight men would be prohibited. And a scientist would be forbidden from reaching the conclusion that a facially neutral practice creates different outcomes across demographic categories even where the evidence unequivocally supports it.

For example, an NIH-funded study concluding that Black patients had nearly three times the frequency of occult hypoxemia undetected by pulse oximetry as white patients called into question the facially neutral uniform clinical practice of using the same oxygen thresholds to triage patients and titrate oxygen across demographic categories.[4] This research may have already saved lives, as practitioners recalibrate practices to reduce common pulse-oximetry errors arising from differences in skin tone. But the proposed rule would likely not allow grant funding for that type of research.

Ultimately, this scientifically illiterate provision prohibits research into real-world effects of policies, making it difficult or impossible for researchers to assess whether medical approaches are successful across demographic categories, in turn risking Americans' health and lives.

[4] Michael W. Sjoding et al., *Racial Bias in Pulse Oximetry Measurement*, 383 NEJM 2477 (2020), https://www.nejm.org/doi/10.1056/NEJMc2029240.

IV. [200.220(a)] - Prohibition of Using Federal Funds for Covered Foreign Collaborations

Section 200.220(a) would introduce sweeping restrictions on international research collaboration—collaboration that has long served the interests of the United States. The prohibition on the use of federal funds to support a collaboration with "[a] country of particular concern" would appear to exclude all research collaboration—including, for example, specimen collection and sharing and infectious disease monitoring—with countries such as China, Nicaragua, and Nigeria.[5]

While there may be legitimate bases on which to limit certain types of international collaborations, the proposed restriction sweeps far too broadly. Collaboration with international partners in regions most affected by particular diseases, for example, results in completion of epidemiological research at higher efficiency and significantly lower cost, thereby "bringing earlier and greater benefits to all affected people, including people in the United States."[6]

V. [200.300] - Statutory and National Policy Requirements

The proposed rule would introduce other new substantive prohibitions on the use of award funds. Proposed § 200.300 would, among other things, prohibit the use of award funds to "fund, promote, encourage, subsidize, or facilitate . . . diversity, equity, inclusion, and accessibility [ ] policies, principles, or practices," and "[g]ender ideology," which, under the terms of the proposal, "includes theories or ideologies that deny the biological reality of sex or the sex binary in humans."

As with the substantive prohibitions in proposed § 200.205, these prohibitions create a government speech code for scientists. Research that is premised upon forbidden hypotheses would not be funded, and studies that reach forbidden conclusions would risk termination. Indeed, the capacious language of the restrictions means that research proposals that acknowledge, for

[5] *See Countries of Particular Concern, Special Watch List Countries, Entities of Particular Concern*, U.S. Dep't of State, https://www.state.gov/countries-of-particular-concern-special-watch-list-countries-entities-of-particular-concern.

[6] Editorial, *The OMB and the Politicization of Science*, 395 NEJM 187 (2026), https://www.nejm.org/doi/full/10.1056/NEJMe2608017.

example, racism, sexism, or the mere existence of trans people may not be funded and could be terminated.

VI. [200.340] - Termination and Suspension

Section 200.340 would radically expand the authority of agencies to terminate awards midstream by permitting agencies to terminate awards at the discretion of the agency. As the Notice of Proposed Rulemaking notes, the expansion of "reasons available to Federal agencies for discretionary terminations of Federal awards" and the addition of "provisions regarding temporary suspension of Federal awards" would make discretionary grantmaking termination procedures "similar to parallel procedures for procurement contracts under the [Federal Acquisition Regulation]."

Grant funding for medical research, however, does not, and should not, function like a federal procurement contract. While it may be reasonable for the federal government to terminate a procurement contract if, for example, it decides it no longer has use for the work contemplated by the contract, scientific research is different. The government does not fund scientific research to fill a need for a specific service; it funds scientific research to contribute to a public good: increased foundational knowledge and American innovation. Such research often depends on stable, multi-year funding commitments. Once a study is approved and funded through a grant, it may take years before a study yields meaningful results. And permitting agencies to terminate grants before those results are achieved—without cause—would undermine research, waste taxpayer money, and deprive the public of the benefits of the grant.

Moreover, termination without cause would upset the reliance interests of researchers in the stability provided by multi-year awards. Research institutions such as universities and hospitals often make substantial time and resource commitments—such as hiring personnel, purchasing specialized equipment, and enrolling human subjects—in reliance on the expectation that awarded grants will remain in place absent unusual circumstances, such as misconduct or a failure to perform. But researchers performing work under a grant that may be terminated at any time would be forced operate under a shadow of uncertainty. Scientists may feel forced to limit the upfront investment of resources into grant-funded research, thereby causing studies to become less efficient and wasting money and time. Indeed, researchers may not pursue federal grant–funded projects at all.

The provision also raises substantial ethical concerns. The sudden, medically uncalled-for suspension of clinical trials is an egregious violation of ethical human research principles, which require researchers to "safeguard the health, well-being and rights of … those who are involved in medical research."[7] This concern is not hypothetical. When this Administration issued a stop-work order affecting USAID-funded clinical trials in January 2025, patient safety was compromised and taxpayer money was wasted. The *New York Times* identified over thirty clinical studies that were abruptly frozen, including trials of "malaria treatment in children under age 5 in Mozambique, treatment for cholera in Bangladesh, a screen-and-treat method for cervical cancer in Malawi, tuberculosis treatment for children and teenagers in Peru and South Africa, nutritional support for children in Ethiopia, early-childhood-development interventions in Cambodia, ways to support pregnant and breastfeeding women to reduce malnutrition in Jordan, and an mRNA vaccine technology for H.I.V. in South Africa."[8] Freezing these trials jeopardized the health of trial participants, who may have been left without access to the study treatment or an adequate alternative treatment option. As a U.S. researcher who had to stop a study that had enrolled eleven pregnant persons in Lesotho told *Science*:

> I feel ashamed because people agreed to work with me and they've been screwed. . . .They signed an agreement that we would provide ultrasounds, syphilis testing, and other things, and we would follow their infants for 6 months. And . . . we have reneged on this contract.[9]

The proposed rule threatens to bring these shocking and shameful effects stateside, leaving American clinical study participants at risk of sudden, arbitrary cessation of the medical care

[7] *WMA Declaration of Helsinki - Ethical Principles for Medical Research Involving Human Participants*, World Med. Assoc., https://www.wma.net/policies-post/wma-declaration-of-helsinki/.

[8] Stephanie Nolen, *Abandoned in the Middle of Clinical Trials, Because of a Trump Order*, N.Y. Times (Feb. 6, 2025), https://www.nytimes.com/2025/02/06/health/usaid-clinical-trials-funding-trump.html.

[9] Catherine Offord, *Researchers face impossible decisions as U.S. aid freeze halts clinical trials*, Science (Feb. 13, 2025), https://www.science.org/content/article/researchers-face-impossible-decisions-u-s-aid-freeze-halts-clinical-trials (alterations in original).

provided through the grant-funded study, and at risk of no longer being monitored for adverse events, including death.

VII. [200.432] - Conferences; [200.454] - Memberships, Subscriptions, and Professional Activity Costs; and [200.461] - Publication and Printing Costs

Scientific progress not only depends on the conduct of research but also relies on the dissemination of research results. It is only through the communication of research findings that peer scientists can test conclusions for reproducibility and iterate on those conclusions in future research projects. But the proposed rule would dismantle nearly every aspect of the system through which scientific research is disseminated to other scientists and to the public by, among other things, putting restrictions on the use of award funds to attend conferences, join professional associations, subscribe to publications, and publish research.

Scientific conferences advance scientific progress by providing a venue for researchers to critique and improve work prior to publication and fostering connection between researchers working on similar issues. But proposed § 200.432 would require advance agency approval of conference attendance, making the costs for attending conferences allowable only if participation in the conference is expressly included in the terms of the award. Because the generation of award terms may precede early-stage findings suitable for presentation at conferences by years, it will often be impossible for a researcher to know at the time of an award proposal whether a relevant conference is likely to be held. Functionally, then, researchers, particularly early-career researchers or researchers at under-resourced institutions, would be deprived of the opportunity to present their findings to the public, meet and collaborate with peers, and hear critique from other researchers.

Similarly, proposed § 200.454 would make subscriptions to academic journals unallowable, depriving researchers of access to cutting-edge science, and would make professional membership fees allowable only where "necessary to fulfill the award requirements." The practical effect of the provision will be to stifle collaboration between scientists, making it more difficult to gain cross-disciplinary insight.

Proposed § 200.461 would make publication costs unallowable, and it explicitly rests on a faulty premise: that "[p]ublication costs are not inherently necessary to carry out the core programmatic objectives of most Federal awards." 91 Fed. Reg. 32232 (May 29, 2026). Far from it. Publication is a critical part of research: It is the means through which information is disseminated so that other researchers, and the public, can evaluate the findings and build on them.

Making publication charges unallowable will make research less accessible to the public and the scientific community, reducing the impact of government-funded research and slowing scientific progress generally.

Together, these provisions would dismantle the mechanisms through which scientific knowledge is shared, evaluated, replicated, and ultimately translated into improvements in medicine and public health. And by doing so, the proposed changes would substantially reduce return on taxpayer dollars.

VIII. [200.450] - Lobbying

Although titled "Lobbying," proposed § 200.450 would have deleterious effects well beyond restricting researchers' ability to directly address legislators. It is a broad restriction on speech, prohibiting researchers from, among other things, using grant funds on messaging that promotes or opposes a "social, political, or public policy position." But the scientific method can, and often does, generate research conclusions that have a public policy valence. Indeed, one of the chief reasons that the federal government has historically invested in scientific inquiry is its recognition that basic research is essential to the creation of sound public policy. Stifling the ability of researchers to discuss conclusions that have such a valence not only burdens free speech, but also means that other scientists and the public will be deprived of the opportunity to learn about those conclusions, build on them, and test their replicability.

IX. [300 – 6600] – Agency-Specific Regulations

Finally, the proposed rule contains a number of provisions through which forty-one agencies that administer grantmaking would conform their own regulations to OMB's Uniform Guidance. These proposed changes would both adopt OMB's Uniform Guidance as regulations and do so in a way that enabled OMB to make future changes to the other agencies' regulations, without their specific input. Each of these proposals should be withdrawn.

Proposed § 300.106, for example, would adopt the Uniform Guidance for HHS, a grievous outcome for the reasons discussed above. Worse still, proposed § 300.106 would incorporate proposed § 200.110(a), which would make all future amendments to the OMB Uniform Guidance binding on agencies without notice-and-comment rulemaking. Permitting OMB unilaterally to advise agency-specific regulations in future rulemakings would pretermit agency-specific concerns and agency-specific expertise.

And removing the existing § 300.300 would render obsolete important statutory and national policy requirements that govern HHS grantmaking, including the requirement that "no person" shall be "subjected to discrimination in the administration of HHS programs," and the prohibition on "discrimination on the basis of sexual orientation and gender identity." Removing these protections risks opening the door to invidious discrimination in grantmaking and reduces public faith in scientific processes and outcomes.

* * *

For decades, the Executive Branch has recognized that federal investment in science yields remarkable dividends for the American public. This lamentable proposed rule would end that. Science will suffer. Americans will be poorer, less healthy, and less secure for it. Public Citizen therefore urges OMB, as well as the forty-one other agencies that propose to adopt this regulation, to withdraw the proposal in its entirety.