

Association of Public and Land-grant Universities

Brief Overview of OMB's Proposed Changes to the Uniform Guidance

July 6, 2026



OMB's Objectives and Priorities

- OMB provides **three main objectives** for proposed revisions:
 - Improving **transparency, accountability, and oversight**;
 - Clarifying the **regulatory status** of the Part 200 text; and
 - Reducing **burden** on award recipients.
- The proposed rule incorporates certain Trump administration **policy priorities set forth in executive orders and memoranda**, including those focused on:
 - Diversity, equity, and inclusion (“DEI”) programs;
 - Gender ideology;
 - Disparate-impact theories and merit-based opportunity;
 - Pediatric gender transition procedures; and
 - **Federal award-making oversight.**

Key Themes of OMB's Proposed Revisions

- **Shifting from “guidance” to government-wide “regulation”**
 - Centralizing award requirements within the federal government
 - Impact on *future* rulemaking
- **Aligning awards with current administration’s priorities, *e.g.*,**
 - Political appointee participation in award process
 - Non-scientific factors in award decisions
- **Making grants/cooperative agreements more contract-like, *e.g.*,**
 - Termination for convenience strengthened
 - New suspension authority
- **Adding non-scientific policy restrictions, *e.g.*,**
 - DEI and gender ideology
 - “Discriminatory event services”
 - “Wolf Amendment” restrictions on foreign collaborations

Uniform Guidance as Regulation

2 C.F.R. §§ 200.101(d), 200.106, 200.110(a)

- Reclassification of 2 C.F.R. Part 200 from OMB guidance to a **binding OMB regulation** with direct regulatory effect—the “**Uniform Grants Regulation.**”
- Participating agencies would amend their adopting regulations such that **any future amendments** to the regulation, after finalization of the Proposed Rule, would **only require action by OMB for such amendment and would apply government-wide** on the effective date, without requiring each federal agency to adopt the amendments through its own separate rulemaking process.
- Agencies to **remain “partners”** with OMB during any future amendments process.
- **Key Issues:** This proposal **exceeds OMB’s authority** and **decreases the ability of agencies to tailor funding terms and conditions** to the categories and nature of entities to which, and investigators to whom, the agencies typically direct funding.

Federal Agency Merit Review of Proposals

2 C.F.R. § 200.205(b)

- Agency-designated **senior (political) appointees** would conduct **pre-issuance review** of all discretionary awards.
 - Awards must: “**demonstrably advance the President’s policy priorities**”; not be used for discriminatory purposes; not promote “**anti-American values**”
 - **Peer review** recommendations would “**remain advisory**” and are not to be “**ministerially ratified [or] routinely deferred to**” by senior appointees.
 - “[A]ll else being equal, **preference for discretionary awards** should be given to institutions with **lower indirect cost rates.**”
- **Key Issues:** The proposed pre-issuance review process, including the introduction of senior appointee review, introduces **vague, subjective, and non-scientific considerations** (*e.g.*, whether the award would promote “anti-American values” or “compromise public safety”). This **conflicts with merit-based statutory mandates** and creates a “black box” process with **no transparency or documentation requirements** for agencies.

Statement of Interest (SOI)

2 C.F.R. § 200.204(c)

- Would **strongly encourage** federal agencies to request **an SOI** as part of the notice of funding opportunity “when high application volume or lengthy proposals are expected.”
- OMB reasons that this pre-application review would “**improve efficiency by focusing agency review on the most competitive applicants.**”
- The review of SOI proposals would incorporate the **same review principles used in the pre-issuance review process, but without peer review.**
- **Key Issues:** A new pre-application SOI process would screen out applicants before they have a chance to demonstrate the merit of their work through a full application, and **without the benefit of peer review.** With only selected applicants invited to submit full proposals, this process could operate as a mechanism to **eliminate applicants for reasons unrelated to scientific merit.**

Federal Agency Review of Applicant Risk

2 C.F.R. § 200.206(b)

- Would add factors for evaluation of applicant institutions, including:
 - **Financial capacity**;
 - **History of “questionable practices”**; and
 - **Memberships/affiliations** with organizations that violate federal law, undermine public safety/national security, or advocate for the overthrow of the U.S. government.
- **Key Issues:** Expanded risk assessment factors would rely on **vague terms** such as “history of questionable practices” and potentially **unreliable evidence** of such risk, with **no lookback period or appeals process**. This proposal could **penalize institutions with strong compliance programs** (which detect and report more issues).

Specific Conditions

2 C.F.R. § 200.208

- Proposed rule would provide express authorization for agencies to **add or remove specific conditions throughout the period of performance** of an award, based on consideration of certain enumerated factors (*e.g.*, recipient's risk assessment, history of compliance).
 - Conditions would need to be implemented within **15 calendar days** of agency determination.
 - New examples of conditions that may be imposed include finance reporting on payments to contractors/vendors, and financial integrity-related site visits.
- **Key Issues:** This would **exacerbate uncertainty in award management**. New “program-level” conditions could **burden all recipients within an entire award program** regardless of individual performance, **disproportionately affecting smaller institutions** that have fewer resources to satisfy additional requirements.

Discretionary Termination Authority

2 C.F.R. §§ 200.340(a)–(b), 200.341(b)–(c), 200.342, 200.343

- Would permit agencies and pass-through entities to **terminate awards, in whole or in part**, when termination is **in its interest**, including if an award does not effectuate “program goals, Federal agency priorities, or **the national interest**,” “**as they exist at the time of the termination**” (§ 200.340(a)(2)).
- Notifications of discretionary termination would be required to include only a “**brief summary**” of the reason(s) for termination; the reason(s) may apply to an **individual award or a class of awards** (§ 200.341(c)).
- **Key Issues:** See next slide.

Suspension Authority

2 C.F.R. §§ 200.340(e), 200.343

- Would authorize **suspension of an award for up to 90 days** (or longer by mutual agreement) if the agency or pass-through entity determines a **suspension is in its interest**.
 - Modeled on **FAR** stop-work orders for procurement contracts.
 - Suspension would **begin after a written order is delivered** to the recipient or subrecipient.
- During suspension, the recipient must “**take reasonable steps to minimize the incurrence of costs**” allocable to suspended activities and document those efforts.
- Agency could **cancel the suspension or proceed to termination**.
- **Key Issues (Termination and Suspension Authority):** Agencies would be able to terminate or suspend awards whenever it is “in the interest of the Federal agency.” This would **destabilize research, make budgets unpredictable, and disproportionately harm smaller institutions**. These discretionary powers **lack objective criteria or meaningful procedural protections**, such that awards could be terminated or suspended based on shifting policy priorities unrelated to the original award purpose.

International Engagement; Foreign Collaborations

2 C.F.R. §§ 200.202(e), 200.220

- **Research & Development (R&D) Awards Eligibility** – R&D awards would need to be made to entities organized under the laws of the U.S., a state, or a tribal government, to the extent permitted by law. Federal agencies would apply a framework “under which international elements may be included only if the Federal agency determines that such elements are justified, consistent with project objectives, and in the national interest of the United States.”
- **Prohibition on Covered Foreign Collaborations** – Prohibits 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.”**
 - Extension of Wolf Amendment to all agencies, beyond China
- **Key Issues:** This framework and prohibition on “covered foreign collaborations” could **jeopardize legitimate international research partnerships** that ultimately serve important American interests and values and does so **without congressional authorization.**

Prohibition of Discriminatory Event Services

2 C.F.R. § 200.219

- Would prohibit public entities receiving federal financial assistance from “**discriminat[ing] on the basis of the viewpoint, content, or subject matter of speech . . . in providing services for events, meetings, or expressive activities,**” regardless of whether the event is directly funded by a federal award, so long as it occurs on property under the entity’s control.
- Specifically prohibits the practice of “impos[ing] additional, inconsistent, or unreasonable fees, security costs, insurance requirements, related charges, or administration burdens,” characterizing such fees as “**heckler’s fees**’—to provide security for conservative speakers.”
- **Key Issues:** This prohibition would restrict how institutions charge fees for event services, prohibiting differential security fees based on the content or viewpoint of speech. This is unnecessary given **existing First Amendment protections and well-developed court precedent**, and **undercuts professional content-neutral threat assessments** grounded in intelligence and crowd-size estimates and imposes an unfunded mandate on public universities.

Nondiscrimination and DEI Restrictions

2 C.F.R. §§ 200.218, 200.300(b)–(c), 200.321

- **DEI/DEIA and Gender Ideology Prohibitions** – Federal awards cannot be used to “fund, promote, encourage, subsidize, or facilitate” unlawful DEI/DEIA practices, “gender ideology,” or pediatric gender transition.
 - Recipients “**should not assume** that practices previously viewed as consistent with prior Executive Branch guidance will necessarily satisfy applicable Federal anti-discrimination requirements as applied to Federal awards.”
- **Disparate-Impact Theories** – Prohibits the use of federal financial assistance to promote or support the use of disparate-impact liability theories based on protected characteristics such as race, sex, or age.
 - **Research, program evaluation, and similar activities** that may be deemed to employ disparate-impact theories (*e.g.*, health disparities work) **permitted if** those activities are not federally funded or used to in connection with or applied to federal award activities.
- **Key Issues:** The Proposed Rule would impose **compliance consequences on institutions based on standards currently being litigated**, creating an unreasonable burden; OMB should wait for related litigation to conclude before finalizing prescriptive rules so that guidance reflects settled law.

Subrecipient Monitoring and Management

2 C.F.R. §§ 200.331(c), 200.331(i), 200.332

- **Transfers to Related Entities** – Pass-through entities could not treat payments to affiliates, subsidiaries, or related entities that are “**separate legal persons**” as internal transfers that are exempt from subrecipient/contractor determinations.
 - Federal fund transfers to such entities would **need to be classified** as subawards/contracts.
- **Subrecipient Damage to Reputation** – Pass-through entities would be required ensure subrecipients do not take actions that could “**significantly damage the reputation**” of the pass-through entity, funding agency, or U.S. government. Agencies would be able to **terminate prime award or direct termination of subaward** if such damage is found.
- **No Fixed Amount Subawards** – Fixed amount subawards would be eliminated entirely.
- **Key Issues:** The Proposed Rule would reverse OMB’s 2024 policy that doubled the fixed amount subaward threshold, **without evidence that the performance-based accountability of fixed amount awards is insufficient**. This would **narrow the pool of research collaborators**, particularly community and religious organizations with limited accounting infrastructure.

General Provisions for Selected Items of Cost

2 C.F.R. §§ 200.420–477

- **Publication** costs would be unallowable unless required by statute or approved in advance by the federal agency on a case-by-case basis (§ 200.461).
- **Conference attendance** costs would be unallowable unless participation is expressly approved by the agency and included in the award terms and conditions (§ 200.432(b)).
- **Advertising and public relations** costs would be unallowable, subject to narrow statutory or procurement-related exceptions (§ 200.421).
- **Key Issues:** Revised cost allowability provisions **shift significant publication, membership, and conference costs to institutions without adequate analysis or exception processes**. Smaller institutions and non-profit organizations would be disproportionately affected, **widening disparities rather than promoting broad participation** in federally funded research.

Engaging in Issue Advocacy or Public Messaging

2 C.F.R. § 200.450(c)(iv)

- Would make costs associated with “[e]ngaging in **issue advocacy or public messaging** that promotes or opposes a **particular social, political, or policy position unrelated to the statutory objectives or performance requirements of the Federal award**” unallowable for nonprofit organizations and institutions of higher education.
- **Key Issues:** A prohibition on “issue advocacy or public messaging” could prevent researchers from testifying before Congress, communicating findings to policymakers, and participating in public discourse—**undermining evidence-based policymaking** and **depriving the public of the full benefit of its investment** in federally funded research.



**Feedback on Proposed Revisions?
Questions about Proposed Revisions?**

Speakers

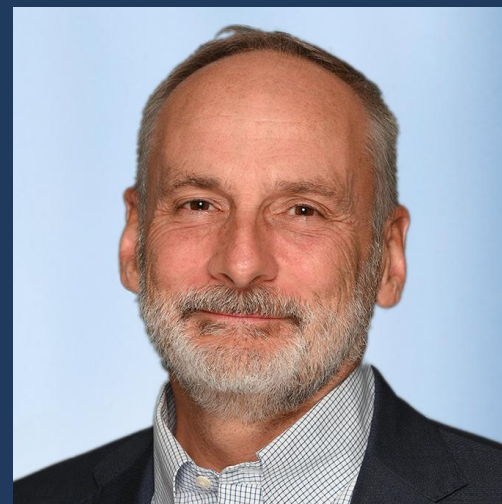


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Thank you.

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