ASSOCIATION OF PUBLIC & LAND-GRANT UNIVERSITIES

August 11, 2026

Key Messages for the August Congressional Recess

Office of Management and Budget
Proposal to Revise Uniform Guidance

- **Public and land-grant universities share the Office of Management and Budget's (OMB) stated goals of improving transparency, accountability, and oversight of federal financial assistance while reducing unnecessary recipient burden.** Unfortunately, the proposal published by OMB falls far short of that goal and should be rescinded.

- **Public and land-grant universities support the language in the Senate Continuing Resolution (CR) to delay implementation of any final rule through the duration of the CR.**

- **OMB should not rush to finalize this broad and very complex rule. Congress should block implementation until major issues are addressed.** The proposed rule introduces numerous vague and undefined terms into federal grant making that would reduce transparency, create vast compliance uncertainty, and substantially increase regulatory and administrative burden on local governments, community organizations, and universities.

- **The OMB proposal threatens U.S. research competitiveness.** Breakthrough discoveries require long-term investments, stable funding, and international collaboration. Increased uncertainty will discourage ambitious, high-risk research and make it harder to attract and retain talented researchers. At a time when global competitors are expanding research investments, the U.S. should be reducing barriers to innovation, not creating new ones.

- **If implemented, the proposal would create significant financial risk and instability for all federal grantees, making it more difficult to provide vital services to communities.** The proposed rule would allow executive branch political appointees to withhold, suspend, or terminate grants without notice or without cause, or to change terms and conditions of a grant mid-performance. State and local governments, nonprofit organizations, and universities would face unpredictable financial, legal, and reputational risks that increase the costs of accepting federal awards. This could lead to disruptions to essential services, including community development, health, education, food, housing, disaster recovery, and more in communities and states nationwide.

1220 L St, NW, Suite 1000, Washington, DC 20005-4018 | 202.478.6040 | www.aplu.org

- **The proposal will damage state and local budgets and credit ratings.** Moody Analytics warned the proposal could negatively impact credit ratings for states and local governments.

- **The proposed rule could undermine the role of Congress to determine federal spending.** The proposed rule call for all federal funding to be judged if it "demonstrably advance the President's policy priorities." There is no mention in the proposed rule of obligations to abide by congressional intent, congressional authorization, and Article I authorities of the legislative branch.

- **This proposed rule sets a deeply troublesome precedent, where administrations (current and future) - regardless of party - could exclude grantees based on factors other than the merit of the proposal. The risk is decisions driven based on politics rather than merit.** Federal grantmaking should be nonpartisan and based on merit, community needs, and congressional intent - not partisan politics. Universities cannot responsibly hire staff, support students, invest in infrastructure, or launch multi-year projects if awards can be revoked based on political swings and whims.

- **The Uniform Guidance should promote clarity, consistency, accountability, and efficient stewardship of federal funds.** As drafted, OMB's proposal would do the opposite by introducing ambiguity, increasing administrative burden, politicizing award decisions, destabilizing long-term investments, and weakening the partnership between the federal government and award recipients that has driven decades of American innovation and economic growth.

F&A Talking Points

- Cuts to F&A are cuts to research. Cuts to F&A ultimately reduce the number of awards an institution can accept, because the F&A cost of lab maintenance, cybersecurity, utilities, and compliance with federal regulations, like research security, must be paid for whether the institution is reimbursed or not.

- Scaling back our research capacity in the U.S. would slow scientific progress and have detrimental economic consequences. Not only would we lose ground toward cures, new technologies, and other innovation, but less research in the U.S. would also:
  - Impede progress on American medical, scientific, technical, and economic priorities
  - Result in fewer jobs and slower economic growth
  - Cede to other nations American companies' competitive advantage as a catalyst of new industries
  - Threaten our long-term competitiveness against global adversaries, particularly as countries like China continue to boost their research funding and research infrastructure

- The FAIR model was designed by subject matter experts from the research community to provide an alternative to the current system that enhances transparency and accountability in research funding.
    - At a minimum, we ask lawmakers to preserve the FY26 language in the CJS, Defense, Energy & Water, and Labor-HHS appropriations bills until the FAIR model can be fully implemented and operational across federal research funding agencies.
    - Public and land-grant universities appreciate the House Appropriations Committee included continued blocking language in the FY 27 CJS and Energy and Water bills.
    - To implement the FAIR model government-wide, we encourage lawmakers to include language in the FY27 Financial Services and General Government (FSGG) appropriations bill.