



## Office of Management and Budget (OMB) NPRM [Federal Financial Assistance \(Docket OMB-2026-0034\)](#)

**Release Date:** Friday, May 29, 2026  
**Comment Window:** 45 Days  
**Comments Due:** Monday, July 13, 2026  
**Scope:** Government-wide; centralizes all code of federal regulations for financial assistance, including grants, under Russ Vought, Director of OMB  
[OMB Plain Language Explanation \(108 pages\)](#)

### Summary Overview:

The Office of Management and Budget (OMB) is proposing a broad update to the federal rules that govern grants, cooperative agreements, and other forms of federal financial assistance. Federal agencies would also update their own regulations to match the revised OMB guidance.

The proposal has three main goals:

1. **Improve oversight of taxpayer dollars** by strengthening transparency, accountability, and monitoring of how federal funds are used.
2. **Clarify OMB's authority** by making it clear that the policies in these regulations are official OMB regulations that agencies must follow.
3. **Reduce burdens on grant recipients** by removing requirements that OMB considers unnecessary and allowing recipients to focus more on delivering project results.

The language purports to be a correction of the view that federal grant programs between 2021 and 2024 were sometimes used to support activities that were not aligned to the purposes authorized by law. Examples focus on DEI-related initiatives research projects, foreign aid programs, and other activities that it argues did not provide sufficient public benefit. It also references reports alleging fraud, misuse of funds, weak oversight, and grants being used in ways that may have departed from their intended purposes.

In response, OMB proposes stronger oversight and internal controls to ensure that federal funding is directed toward clearly defined public purposes and measurable outcomes. The proposal emphasizes that grant-funded activities should align closely with statutory objectives and administration policies, and that agencies should more carefully monitor how recipients spend federal funds.

Overall, the proposed rule seeks to tighten federal control over grant spending, increase scrutiny of funded activities, and refocus federal assistance programs on what the administration views as their primary legal and public-interest objectives, while simplifying compliance requirements for recipients.

*Note: Much of what is included here appears to be the regulatory implementation of the Executive Order on Grantmaking Oversight and the Executive Order on Gold Standard of Science.*

### **Regulatory Impact: OMB Assumes Direct Binding Authority Over All Agencies**

The rule restructures 2 CFR to make OMB's guidance a directly binding regulation on all agencies, effective government-wide on a single date. This removes the previous system under which individual agencies had meaningful flexibility in adopting OMB guidance. It also eliminates the ability of individual science agencies to shield their communities from any of these changes through their own implementing rules. With OMB's new authority to require political alignment in program design, the White House will have direct oversight and leverage over federal research funding.

### **Key Points for Proposed Rule Changes:**

- **Political Appointees Control Grant Awards (§200.205)**

Political appointees, rather than career scientists or program officers, would now be required to conduct a "pre-issuance review" of every discretionary grant before it is awarded. These appointees are explicitly forbidden from deferring to peer reviewers or routinely ratifying their recommendations. In practice, this gives political appointees a veto over any science that conflicts with the current administration's ideology.

- **Role of Peer Review Deemphasized in Grant Process (§200.205(d))**

The rule explicitly states that peer review recommendations "remain advisory and are not ministerially ratified, routinely deferred to, or otherwise treated as de facto binding." This directly dismantles the post-WWII system used by NIH, NSF, DOE, and nearly every science agency, in which independent expert peer review was the primary measure of scientific merit. Under this rule, a political appointee can simply override the scientific community's judgment with no finding of cause.

- **Active Grants Can Be Terminated at Any Time, for Any Reason (§200.340)**

The rule codifies and expands the authority to terminate active grants mid-award simply because they are "inconsistent with program goals or agency priorities." Agencies need only provide a brief written rationale; no finding of noncompliance or fraud is required. This retroactively threatens ongoing multi-year research that researchers and institutions have built programs around.

- **Broad Prohibition on International Scientific Collaboration (§200.220)**

A new government-wide rule prohibits the use of any federal funds, including indirect costs, for bilateral or multilateral collaboration with "covered foreign countries" or affiliated entities. The rule extends beyond China to all countries designated under broad sanctions lists. This provision is sweeping enough to severely disrupt international partnerships that have been foundational to U.S. leadership in scientific research.

- **Conference Attendance Now Requires Express Agency Pre-Approval (§200.432)**

Under current rules, conference attendance related to the scientific work of a grant is a standard, routine allowable cost. The proposed rule eliminates that presumption entirely. The new text states:

*“The costs for attending conferences are allowable only if participation in the conference is expressly approved by the Federal agency and included in the terms and conditions of the Federal award.”*

This means every conference a researcher wishes to attend using grant funds must be pre-approved by the agency and written into the award at the time it is made. Conferences not anticipated when the award was issued cannot easily be added later, and the agency has full discretion to deny approval or simply decline to include any conferences in the terms at all.

- **Professional Memberships Require Prior Approval and Must Be “Necessary” (§200.454)**

The proposed rule makes three significant changes to allowable membership and subscription costs:

- a. Professional society memberships are only allowable if they are necessary to fulfill the award requirements and receive prior written agency approval
- b. Subscriptions to professional, academic, and technical journals are made categorically unallowable
- c. Memberships in organizations whose primary purpose is lobbying or issue advocacy are unallowable

The journal subscription ban deserves particular attention. Researchers routinely use grant funds to access the scientific literature that is foundational to their work. Institutions with constrained library budgets will face significant challenges.

- **Publication Costs and Open Access Fees Presumptively Unallowable (§200.461)**

The rule proposes that all journal publication costs, including article processing charges, open access fees, and similar fees, are unallowable by default. Exceptions would require either a specific statutory mandate or case-by-case agency pre-approval. The proposed text states:

*“Publication costs (including page charges, article processing charges (APCs), or similar fees such as open access fees for professional journal publications and other peer-reviewed publications) are unallowable under Federal awards.”*

This directly conflicts with longstanding federal open access mandates, including the 2022 OSTP memorandum requiring that federally funded research be made publicly available. This memo is in the process of being rescinded.

- **Agency Heads Can Exempt Grant Competitions from Public Notice (§200.204)**

A new exception allows a federal agency head, or their designee, to approve an exemption from the requirement to publicly post a funding opportunity on Grants.gov when “publicly announcing an opportunity would pose a risk to national security or is in the national interest of the United States.” While narrow national security carve-outs for classified defense research are legitimate, this language is considerably broader. “National interest” is a phrase this administration has used expansively, and it could justify conducting entire grant competitions outside public view.

- **“Gold Standard Science” as an Undefined Political Test (§200.205)**

The rule repeatedly invokes a concept called “Gold Standard Science,” tied to Executive Order 14303 of May 23, 2025, without defining it in any concrete or measurable way. Under the proposed requirements:

- a. All grants must include benchmarks for compliance with “Gold Standard Science”
- b. Agencies must prioritize institutions that have “demonstrated success in implementing Gold Standard Science”
- c. Institutional prestige and historical reputation are explicitly deprioritized in favor of compliance with this undefined standard

Because the standard is never defined, the administration retains broad, unguided discretion to favor or disfavor institutions based on their political alignment.

- **“Domestic-First” Framework for Research Awards (§200.202(e))**

A new domestic-first framework requires that any international element in a federally funded R&D grant be affirmatively justified on a case-by-case basis by agency officials. Foreign entities cannot receive R&D awards at all except with written approval from a senior political appointee. International collaboration, currently standard practice across many scientific disciplines, would become presumptively disfavored.

- **E-Verify Mandated for All Grant Recipients (§200.303)**

All recipients and subrecipients of federal awards must enroll in and use the DHS E-Verify system for every employee and contractor working on a federal award. Any Final Nonconfirmation must be reported to the federal agency.

*NOTE: BPS submitted comments on this in response to a NPRM from the Government Accounting Office (GAO) System for Awards Management (SAM) in March 2026. No final rule has been issued.*

- **Applicants Can Be Denied Based on Organizational “Affiliations” (§200.206)**

The risk factors agencies may use to deny a grant application are expanded to include an applicant’s membership in or affiliation with organizations that “advocate for the overthrow of the United States Government” or “undermine public safety or national security.” Given the preamble’s expansive framing of what constitutes anti-American activity, this language could be used to disqualify researchers affiliated with civil rights, environmental, or public health advocacy organizations.

- **Program Goals Must “Align with Administration Policies and Priorities” (§200.202)**

Every new federal grant program, including science programs, must now be designed with goals that explicitly align with administration policies and priorities. This requirement is embedded directly in the regulatory text governing program design, meaning science agencies must structure their grant solicitations around the current administration’s political agenda rather than solely around scientific need, statutory mandate, or the advice of the scientific community.

**How to Comment:**

- All [comments](#) must include the Code of Federal Regulation (CFR) you are responding to; for example, Peer Review (**§200.205(d)**) or Prohibition on International Scientific Collaboration (**§200.220**). You can either title the comments as shown or incorporate the CFR in parentheses within the body of your comment.
- [Comments](#) should be unique, well-reasoned, and submitted by you as an individual.
- Submissions may be made anonymously without harming the credibility of the comment.