

Comments on Proposed Revisions to the Uniform Guidance Governing Federal Financial Assistance
Docket No. OMB-2026-0034

July 13, 2026

Executive Summary

As an institution administering significant and diverse portfolio of federally sponsored research, Northwestern University appreciates the opportunity to comment on OMB's proposed revisions to the Uniform Guidance.

The University supports OMB's goals of strengthening accountability, stewardship, research security, and the effective administration of federal financial assistance. Northwestern also shares OMB's commitment to ensuring these investments are managed responsibly, safeguarded, and translated into public benefit. To meet these commitments, the University believes the proposed revisions to the Uniform Guidance can benefit from additional refinement.

These comments provide Northwestern's perspective on four provisions that could have significant negative effects on the U.S. research enterprise:

- **§ 200.205(b):** Pre-award review, including consideration of lower indirect cost rates
- **§ 200.208:** Expanded authority to impose or modify award conditions
- **§ 200.202(e):** Domestic preference requirements for R&D
- **§ 200.220:** Restrictions on foreign collaborations

Other provisions, including § 200.331, § 200.340, § 200.454 and § 200.461, also need clarification on justification, process, and timeline.

Northwestern supports the more comprehensive responses submitted by research and higher education organizations such as the Association of American Universities. Northwestern offers recommendations to advance OMB's objectives while preserving the institutional capacity to deliver scientific discovery, workforce development, innovation, and competitiveness—essential elements for maintaining U.S. leadership in knowledge creation and dissemination across all fields.

Introduction

Northwestern University administers one of the nation's largest and most interdisciplinary academic research enterprises. The University executes impactful research expending more than \$1 billion annually in sponsored research funding, supporting thousands of investigators, research staff, graduate students, postdoctoral scholars, clinicians, and research administrators across medicine, engineering, the natural sciences, the social sciences, education, public policy, and the humanities.

Northwestern's research enterprise includes more than 750 faculty affiliated with interdisciplinary institutes and centers and extensive collaborations with federal agencies, Argonne National Laboratory, and Fermilab. Research conducted in collaboration with our health care partner, Northwestern Medicine, saves lives by effectively treating deadly diseases and prolongs and improves the quality of life. Over many years, Northwestern has made substantial investments in research administration systems, compliance programs, research security, technology transfer, and shared scientific infrastructure in compliance with the current regulatory framework. The university will continue to improve financial efficiency and competitiveness.

The University supports OMB's efforts to strengthen accountability and research security. At the same time, the federal-research partnership relies on a stable, effective regulatory foundation that must provide clarity, consistency, and predictability to sustain institutional capacity and long-term planning.

COMMENT I

§ 200.205(b): Funding Criteria and Research Capacity

Key Concern

Broadening participation in federally supported research can enhance scientific innovation, develop new institutional capabilities, and strengthen national research. Northwestern is concerned, however, that basing funding decisions on anything other than scientific merit will dilute the quality of science compromising national interests in the long run. Indirect costs are carefully negotiated to reflect actual cost and highly audited to safeguard against waste and abuse. Once agreed upon, these rates should not influence merit-based funding decisions.

Operational Perspective

Research infrastructure—including compliance systems, shared facilities, and administrative capacity—is built through sustained institutional investment, not individual awards. Indirect cost

recovery supports these shared capabilities and sustains the nation's progress in science and technology.

Northwestern's innovation ecosystem illustrates the overall effect of these long-term investments. The University's research enterprise supports discovery and education, as well as technology development, commercialization, startup formation, and economic activity. During FY2025, Northwestern researchers reported 324 invention disclosures, filed 590 patent applications, received 222 issued patents, executed 337 commercialization agreements, generated \$12.3 million in licensing revenue, and launched nine startup companies.

These outcomes depend on institutional capabilities developed over many years, including technology transfer, research administration, compliance infrastructure, shared scientific facilities, entrepreneurial education, and translational research support. More than 110 active startup companies originating from Northwestern research have collectively attracted over \$2 billion in private investment while supporting more than 1,200 jobs. Collectively, Northwestern's research enterprise contributes an estimated \$3 billion annually in economic activity and supports approximately 14,500 jobs nationwide. These results show the collective benefits of the federal-research partnership: how federal research investments, when supported by durable institutional infrastructure, generate important returns beyond individual awards.

Policies that implicitly favor lower indirect cost rates may distort institutional investment decisions and weaken the infrastructure needed to manage productive research portfolios.

Recommendation

OMB should:

- Affirm scientific and technical merit as the primary funding criterion
- Clarify that negotiated indirect cost rates reflect legitimate costs

COMMENT II

§ 200.208: Additional Award Conditions

Key Concern

Expanded authority to impose conditions mid-award requires clear standards and predictable processes and timelines to avoid operational disruption.

Operational Perspective

Award management relies on integrated systems. Mid-award changes can trigger institution-wide disruptions to both operations and scientific progress. These changes also would inevitably lead to lost jobs, significant breaks in the University’s mission to produce a high-skill workforce, and wasted federal resources.

Recommendation

OMB should:

- Define objective criteria for imposing additional conditions
 - Provide advance notice and opportunity for response when feasible
 - Establish reasonable implementation timelines
 - Promote consistency across agencies
 - Ensure conditions are removable once concerns are sufficiently addressed
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COMMENT III

§ 200.202(e): Domestic Preference Requirements

Key Concern

Domestic preference policies must account for the realities of modern scholarship and research, which depend on the convergence of global expertise. On the operational end, supply chains and specialized resources essential for conducting groundbreaking research are, at times, critically dependent on global resources. The proposed language and guidelines will disadvantage U.S. academic and research institutions thereby weakening our global leadership.

Operational Perspective

Many critical research elements—equipment, components, software, and expertise—are globally sourced and not readily replaceable. Various safeguards to conduct this engagement and work while maintaining national security and interest should be and are already in place. Additional domestic requirements could delay research, increase administrative burden, and reduce competitiveness.

Recommendation

OMB should:

- Allow flexibility where suitable domestic alternatives are unavailable
- Establish clear, consistent waiver processes

- Recognize unique scientific procurement needs
 - Minimize unnecessary administrative burdens
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COMMENT IV

§ 200.220: Research Security and International Collaboration

Key Concern

Research security measures should be justified by legitimate risk.

Operational Perspective

As it does at other universities, research conducted at Northwestern draws productively from international collaborations. The prominence and impact of this research also attract the best talent in the world to U.S. universities. Existing federal research security frameworks are necessary and are already working to safeguard the research enterprise. Additional restrictions should adopt a risk-based approach focused on identifiable threats. We believe that both the goal of protecting the country and that of attracting the best minds for U.S. strategic advantage can be achieved through thoughtful regulation and careful coordination between the research community and the federal government.

Recommendation

OMB should:

- Provide clear criteria for evaluating collaborations
 - Harmonize requirements across agencies
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Conclusion

Northwestern supports OMB's objectives of strengthening accountability and research security in our country. The effectiveness of these reforms depends on clarity, consistency, and practical implementation.

Refinements to the proposed provisions would enable institutions to meet federal expectations while efficiently sustaining the research capacity that underpins scientific discovery, innovation, public benefit, and U.S. competitiveness.

Northwestern appreciates the opportunity to provide these comments and welcomes continued engagement.