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Northwestern

Comments on Education Department General Administrative Regulations

Docket No. ED-2026-OPEPD-2542

September 23, 2026

Northwestern University appreciates the opportunity to comment on the Department of Education's (ED) proposed changes to the Education Department General Administrative Regulations (EDGAR).

The University supports ED's goal of streamlining financial assistance policies and procedures to reduce administrative burden and ensure taxpayer funding is maximized. However, we encourage ED to pause the proposed EDGAR updates until the higher education and scientific community's feedback on the OMB Uniform Guidance revisions are considered and the process is finalized in order to fulfill ED's objective of aligning grant policy and administration procedures across the EDGAR and Uniform Guidance.

This comment is consistent with Northwestern's August 24, 2026 comments to the National Science Foundation's (NSF) proposed Guidance on Financial Assistance and the University continues to urge the federal government to pause any changes to federal grants policies across agencies until the overall Uniform Guidance policy is finalized.

Northwestern echoes the comprehensive response to this proposal submitted by the Association of American Universities, enclosed, and underscores our recent comments on the Proposed Revisions to the Uniform Guidance Governing Federal Financial Assistance (Docket No. OMB-2026-0034) dated July 13, 2026, also enclosed.

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

Enclosures

1. Association of American Universities, Comments on the Education Department General Administrative Regulations, Docket No. ED-2026-OPEPD-2542, September 16, 2026

2. Northwestern University, Comments on Proposed Revisions to the Uniform Guidance Governing Federal Financial Assistance, Docket No. OMB-2026-0034, July 13, 2026

September 15, 2026

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Re: Education Department General Administrative Regulations
Docket ID ED-2026-OPEPD-2542

The Association of American Universities (AAU) respectfully submits these comments in response to the Department of Education's (ED or Department) proposal to amend the Education Department General Administrative Regulations (EDGAR), published in the Federal Register on August 24, 2026.[1]

AAU represents 69 leading research universities in the United States that collectively conduct a significant amount of federally funded university research; train the next generation of scholars, educators, and leaders; and operate programs that expand access to higher education for students from all backgrounds. As major recipients of federal grants and administrators of Department programs, AAU member institutions will be directly affected by the proposed revisions.

America's research universities are home not only to important education research but also to the discretionary programs that support the next generation of postsecondary students, regardless of where they ultimately continue their studies. Over the past four decades, these institutions have steadily expanded access for students who are first-generation college students or are parents themselves, come from low-income families, and/or have disabilities through programs funded by Department grants that are congressionally appropriated. Sustained investment in these programs has contributed

[1] Education Department General Administrative Regulations, 91 Fed. Reg. 54,666 (proposed Aug. 24, 2026) (to be codified at 34 CFR pts. 75, 76, 77, 79 and 2 CFR pts. 3474, 3485), Docket ID ED-2026-OPEPD-2542.

to a steady increase in degree attainment [2] AAU is concerned that the proposed changes to EDGAR put those hard-won gains in educational attainment at risk.

AAU is also concerned that several of the proposal's provisions are substantively identical to provisions in the Office of Management and Budget's (OMB) proposed rule, "Regulation for Federal Financial Assistance," published May 29, 2026,[3] particularly its preference for lower indirect cost rates and expansion of agency termination authority. Congress has since specifically paused implementation of the OMB rule, which seeks significant revisions to the Uniform Guidance on federal grants and financial assistance. Section 157 of the Continuing Appropriations Act, 2027, signed into law by the President on September 2, 2026, prohibits OMB from finalizing its rule or a "substantially similar rule" through December 11, 2026, and provides that any such rule issued before enactment shall not have force or effect through that date.[4]

By its terms, Section 157 restrains only OMB. But the congressional judgment it reflects – that substantive changes to federal grantmaking should not take effect while Congress considers the matter further – applies with no less force when an individual agency proposes to adopt functionally identical provisions through its own separate rulemaking during the very window Congress has set aside for deliberation. Finalizing provisions that would achieve at the Department alone precisely the outcome Congress has just declined to permit government-wide raises serious questions about whether the Executive Branch is honoring congressional intent expressed through Section 157. AAU urges the Department to address this question directly before proceeding.

AAU appreciates the Department's interest in aligning EDGAR with current departmental priorities and procedures. That interest, however, is best served by a rulemaking process that accounts for the experience of the students, institutions, and taxpayers the Department's discretionary grant programs serve. Because the proposed changes touch every discretionary grant program at the Department and carry sweeping implications for grant recipients, AAU identifies specific provisions that should be withdrawn or substantially modified with a full explanation of how the modification best serves the interests of students, institutions, and taxpayers.

[2] Anthony P. Carnevale et al., Learning and Earning by Degrees, Georgetown University Center on Education and the Workforce (2024).
[3] Regulation for Federal Financial Assistance, 91 Fed. Reg. 32,198 (proposed May 29, 2026) (to be codified at 2 CFR pt. 200), Docket No. OMB-2026-0034.
[4] Continuing Appropriations Act, 2027, H.R. 6500, § 157 (2026) (signed into law Sept. 2, 2026).

Summary of AAU's Comments

AAU's comments are organized into three sections. Section I addresses provisions that would import into EDGAR the same substantive policy changes Congress has just paused at OMB, including a competitive preference for lower indirect cost rates and an expansion of the Education Secretary's discretion to terminate multiyear discretionary awards. Section II addresses new civil rights compliance and Executive Order conditions that lack workable definitions and that would be difficult for grantees to administer with confidence. Section III addresses proposed changes that would remove long-standing Federal Register publication requirements and reduce public visibility into how the Department announces and evaluates discretionary grant competitions.

I. Provisions That Would Import Substantive Policy Changes Congress Has Just Paused at OMB

Several provisions in this proposal are not merely similar in spirit to specific sections of OMB's paused Uniform Guidance proposed revisions; they would accomplish the same substantive result using nearly identical mechanisms. AAU addresses each below.

A. [§ 75.228] The proposed competitive preference for lower indirect cost rates rests on an unexamined and legally precarious reading of the governing indirect cost, cost-sharing, and rate regulations.

This provision would allow the Secretary to award competitive preference in the discretionary grant selection process to applicants who propose to charge an indirect cost rate below their university's own federally negotiated rate, in preference tiers ranging from five percent below the negotiated rate to an option that seeks no reimbursement of indirect costs at all.[5]

This provision inserts a factor with no basis in merit into a competitive discretionary grant process at exactly the moment the Department and Administration have emphasized that merit should be the basis for all federal funding decisions in higher education, as indicated in §76.500 of the proposed rule. A preference for lower indirect cost rates contradicts the Department's principles. Indirect cost rates have historically

[5]Proposed 34 CFR 75.228; 91 Fed. Reg. 54,666 (Aug. 24, 2026).

played no role in the peer and merit review process for Department grants because they bear no relationship to programmatic or scientific quality.

A negotiated indirect cost rate reflects the real costs of the facilities, equipment, and administrative infrastructure necessary to support a grantee's programmatic and research activities. These costs are shaped by variables – such as regional cost of living and the age of an institution's physical plant – that have nothing to do with the quality of a given grant proposal. Preferring applicants who propose to forgo negotiated indirect cost recovery does not identify the institutions best equipped to execute a project; it identifies the institutions most able or willing to absorb costs that Congress and the Department have already determined the institution is entitled to recover. Over time, a scoring mechanism that rewards lower indirect costs creates a perverse incentive for institutions to compete by underfunding the administrative and research infrastructure that Department-funded education and research programs depend on, risking harm to students and communities these programs are designed to serve.

The provision is also legally precarious in ways the Department's preamble does not address. The Department's general authority to establish selection criteria for discretionary grants under 34 CFR Part 75 is not in question; that authority derives from the General Education Provisions Act.[6] But foregoing indirect cost recovery an institution would otherwise be entitled to claim is treated under the government-wide Uniform Guidance as a form of cost sharing, and cost sharing of that kind is separately and specifically governed by 2 CFR 200.306(a), which provides that a federal agency "may not use voluntary committed cost sharing as a factor during the merit review of applications or proposals for Federal research grants unless authorized by Federal statutes or agency regulations and specified in the notice of funding opportunity."[7] The Department's preamble neither cites this provision nor acknowledges that § 75.228 would authorize a form of cost sharing. The preamble does not explain why a standing, Department-wide preference of this kind is consistent with a regulatory carve-out designed for individualized, program-specific cost-sharing arrangements.

The proposal raises a closely related question under 2 CFR 200.414(c), which requires that negotiated indirect cost rates "be accepted by all Federal agencies" and permits an agency to use a different rate for a class of federal awards only when required by statute or regulation, or when approved through the agency-approval and OMB-notification procedures set out in that section.[8] The Department's own Regulatory

[6] 20 U.S.C. 1221e-3(a)(1); 20 U.S.C. 3474.
[7] 2 CFR 200.306(a).
[8] 2 CFR 200.414(c)(1)-(2).

Impact Analysis estimates that § 75.228 will affect approximately 750 new grantees annually and shift approximately $45 million per year from indirect to direct cost budget lines, on a standing basis, across the Department's discretionary grant portfolio.[9] A mechanism operating at that scale and permanence is difficult to distinguish from a rate policy applicable to a class of federal awards, and the Department has not explained why finalizing it would not require the OMB notification that 2 CFR 200.414(c)(2) contemplates for exactly that circumstance.

Finally, even if § 75.228 could be reconciled with the letter of 2 CFR 200.306(a), the Department has not grappled with the provision's underlying purpose. The cost-sharing restriction exists in substantial part to prevent voluntary cost concessions from becoming an unofficial competitive advantage that favors institutions with greater financial capacity to absorb them. A preference that rewards applicants for forgoing negotiated indirect cost recovery will, as a practical matter, be easiest to exploit for institutions with the largest unrestricted reserves and hardest to exploit for the small, regional, and grant-dependent institutions that participate in many of the Department's discretionary programs. An agency is not free to adopt a rule that undermines the policy a closely related governing regulation exists to serve without addressing that tension, and the absence of any such discussion in the preamble leaves the rule subject to challenge as arbitrary and capricious for failure to consider an important aspect of the problem.[10]

This provision is also substantively identical to a provision of OMB's Uniform Guidance proposed revision that Congress has recently paused from implementation. OMB's proposed rule would have made a grantee's negotiated indirect cost rate a selection criterion for discretionary awards across every federal grantmaking agency.[11] Congress's decision to pause that rule through Section 157 reflects a judgment that this particular substantive change warrants further congressional consideration before it takes effect anywhere in the federal government. Finalizing § 75.228 at the Department alone, while that pause is in effect, would allow the Department to accomplish exactly what OMB has been temporarily blocked by Congress from implementing, through a separate rulemaking vehicle, and has the potential to put the Department out of compliance with current Uniform Guidance, where this is not permitted.

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[9] 91 Fed. Reg. 54,666 (Aug. 24, 2026) (Regulatory Impact Analysis).

[10] Motor Vehicle Mfrs. Ass'n v. State Farm Mut. Auto. Ins. Co., 463 U.S. 29, 43 (1983) (an agency rule is arbitrary and capricious if the agency has failed to consider an important aspect of the problem).

[11] Proposed 2 CFR 200.205(b)(3), 91 Fed. Reg. 32,198 (May 29, 2026).

***Recommendation:** AAU urges the Department to withdraw § 75.228 in its entirety. If the Department nonetheless proceeds, AAU requests that it supplement the record with an explicit analysis of how the proposed preference is intended to operate consistently with 2 CFR 200.306(a) and 200.414(c), including whether the Department will treat the preference as a class-wide rate deviation requiring OMB notification, and how the Department intends to prevent the preference from disadvantaging institutions with less capacity to forgo their full negotiated indirect cost recovery.*

B. [§ 75.253] Removing the procedural protections governing continuation awards would replace a stable multiyear funding framework with standing discretion to discontinue awards mid-project.

The Department proposes to remove subsection (c) of § 75.253, which currently requires the Secretary to consider a grantee's substantial progress toward the goals and objectives of an approved multiyear project, its performance against the targets set out in its application, and the Secretary's approval of any programmatic changes, before declining to continue funding for a subsequent budget period.[12] Removing that subsection would grant the Secretary standing discretion to decline continuation funding for an in-progress multiyear project without reference to any of those considerations.

The current framework exists because grantees plan multiyear projects, hire staff, purchase equipment, and build partnerships based on the reasonable expectation that continued performance against an approved project plan will be rewarded with continued funding, consistent with the Notice Inviting Applications (NIAs) under which the grantee originally competed. Removing subsection (c) does not merely add flexibility to that framework; it removes the framework's operative content, since the criteria in subsection (c) are what currently constrain the Secretary's continuation decisions in the first place. The result is a regime in which a grantee's continued funding depends on considerations the Department has not identified at the time the original award is made and that cannot be evaluated against any objective standard, injecting exactly the kind of uncertainty into multiyear awards that the current regulation was designed to prevent.

The practical consequences fall heaviest on the Department's most vulnerable grant populations. Federal TRIO programs exist to provide sustained, multiyear support to students from backgrounds that have historically been underrepresented in postsecondary education, and the value of that support depends on its reliability. A grantee that cannot be confident its continuation funding will track its actual performance against its originally approved project plan will hesitate to make the kind of

[12] 34 CFR 75.253(a)-(b) (current regulation).

long-term staffing and program commitments that make these interventions effective, to the ultimate detriment of the students the programs serve. This is not a hypothetical concern; it follows directly from removing the only regulatory language that currently ties continuation decisions to a grantee's demonstrated performance against a clear set of pre-identified criteria.

Recommendation*: AAU recommends that the Department withdraw the proposed removal of § 75.253(c) and retain the current requirement that continuation funding decisions be based on a grantee's substantial progress, performance against approved targets, and compliance with any Secretary-approved project modifications.*

C. [§ 75.901] Expanding termination authority to match the federal acquisition regulation's termination-for-convenience framework imports a procurement concept into a context that cannot bear its weight.

The Department proposes to revise § 75.901 to grant the Secretary express authority to terminate discretionary grants for convenience, not solely for noncompliance, citing recent characterizations of federal grant agreements as contractual in nature and drawing an explicit analogy to the Federal Acquisition Regulation's termination-for-convenience framework.[13] AAU respectfully requests that the Department not finalize this provision without substantial revision, for reasons AAU has previously raised with OMB in response to a substantively identical proposal.[14]

The FAR analogy does not withstand scrutiny in the grants context. Procurement contracts and research and educational grants are different instruments that serve different statutory purposes and create fundamentally different reliance interests. A procurement contract involves the purchase of a defined deliverable; a discretionary grant supports an inquiry or a programmatic strategy whose outcomes are inherently uncertain and whose progress is, by design, iterative. The FAR's termination-for-convenience framework is workable in the procurement context in substantial part because it is paired with a requirement that a terminated contractor receive fair compensation for the work performed. The Department's proposal imports the termination authority without providing any comparable protection for grantees, who will have made significant staffing, equipment, and partnership commitments based on the multiyear award that they were competitively selected to receive.

[13] Proposed 34 CFR 75.901; 91 Fed. Reg. 54,666 (Aug. 24, 2026).
[14] AAU Comments on OMB's Uniform Guidance Rule (July 12, 2026), available at https://www.aau.edu/key-issues/aau-comments-ombs-uniform-guidance-rule.

The consequences of an abrupt, no-fault termination in the discretionary grant context are not merely transition costs of the kind the FAR framework is built to compensate. They include students suddenly without the wraparound supports that help them persist through and complete their studies, graduate students and program staff without funding mid-project, and facilities that remain half-finished. Because the FAR-aligned framework the Department proposes does not require the Department to justify a denied reimbursement claim, institutions facing termination would have no meaningful avenue to contest either the termination itself or the adequacy of the compensation that follows it.

Recommendation*: AAU respectfully requests that the Department require documented findings before terminating a discretionary award for convenience; provide grantees no less than a 90-day notice and cure period before termination takes effect; exclude programs that directly serve students, including TRIO and other student-support programs, from termination for convenience; and align the Secretary's termination authority with the statutory requirements and congressional funding directives governing the affected programs.*

II. Compliance With Federal Civil Rights Laws

A. [§ 76.500] The proposed merit and nondiscrimination certification requires grantees to certify compliance with standards the department has not defined.

The Department proposes to add a new paragraph to § 76.500 requiring grantees to affirm that hiring, admissions, promotions, and compensation decisions made under the grant are based on merit and qualification, without regard to any protected characteristic; that no grant-related benefit is conditioned on a statement of political viewpoint; and that grantees maintain policies protecting freedom of speech, inquiry, and the press.[15] AAU agrees, without qualification, that every institution receiving federal funds should comply with federal civil rights law. AAU is concerned, however, that the proposed paragraph does not provide the required definitions to make that compliance obligation administrable.

The proposed paragraph does not define "merit" or "qualification," and the Department does not identify any objective standard or evidentiary process by which it would determine that a grantee has failed to satisfy the certification. Absent a definition, a grantee has no reliable way to know, even while acting in good faith, whether its

[15] Proposed 34 CFR 76.500(f); 91 Fed. Reg. 54,666 (Aug. 24, 2026).

ordinary hiring, admissions, or compensation practices satisfy the requirement, or whether an unsubstantiated complaint could place its grant at risk. That concern is not speculative. It follows directly from recent whistleblower allegations that political appointees disregarded findings by the Department's own federal investigators that there was insufficient evidence to conclude that specific institutions had violated federal law, before proceeding to move against those institutions' federal funding.[16] A certification requirement resting on an undefined standard, applied in an environment where investigative findings of insufficient evidence have reportedly been set aside, gives grantees little confidence that good-faith compliance will be treated as compliance.

The proposed standard is also difficult to reconcile with the design of the Department's own discretionary programs. Programs such as Upward Bound are intended to serve students across the full range of academic preparation, including students who are not yet the strongest academic performers, precisely because expanding access and readiness for postsecondary education – not selecting only the most academically accomplished applicants – is the statutory purpose of the program. A certification requirement that a grantee cannot confidently apply to a congressionally authorized access program without risking a merit-based compliance finding is difficult to administer in practice.

Finally, the underlying decisions the certification addresses(i.e., an institution's hiring, promotion, and compensation practices) are already governed by existing federal civil rights law and by institutional and state personnel policies that must themselves comply with that law. This makes an additional freestanding, undefined merit certification substantially duplicative of legal protections that already apply.

Recommendation*: AAU recommends that the Department define "merit" and "qualification" for purposes of this certification, with reference to objective and program-specific standards, before finalizing this provision. If the Department is unable to supply a workable definition, AAU recommends that the Department withdraw the provision.*

B. [§ 76.700] Adding Executive Orders to the list of federal policies with which grantees must certify compliance places grantees between ongoing litigation and conflicting state law.

[16] See, e.g., Trump Officials Ignored Their Own University Investigators, Lawyer Says (2026).

The Department proposes to amend § 76.700 to add compliance with Executive Orders to the list of federal policies with which grantees must certify compliance.[17] AAU is concerned that this addition asks grantees to certify compliance with a category of federal action whose legal status is, in a significant number of current instances, genuinely unsettled. Multiple Executive Orders addressing subjects ranging from immigration to diversity, equity, and inclusion are presently the subject of active litigation, with courts in several cases having already issued preliminary injunctions against the orders. A grantee cannot reliably certify compliance with a directive whose enforceability is itself being litigated. The Department's proposal does not explain how a grantee should treat an Executive Order that is later enjoined or narrowed by a court after the grantee has already certified compliance with it.

The proposal also creates a state-federal conflict the Department does not acknowledge. Several states have enacted laws that conflict with the substance of specific Executive Orders. Executive Orders, whatever their standing as directives to federal officials, are not themselves federal statutes, and directing grantees to comply with them notwithstanding a conflicting state law would place institutions of higher education in the position of choosing between the state law under which they are chartered and operate and the federal funding on which many of their programs depend. That outcome is difficult to square with the Secretary's own stated preference for returning greater authority over education policy to the states. A certification requirement that pressures institutions to disregard their own state's law in favor of federal executive directives moves in precisely the opposite direction.

Recommendation*: AAU recommends that the Department exclude Executive Orders from the list of federal policies with which grantees must certify compliance under § 76.700.*

III. Reducing Public Transparency of Department Announcements and Evaluations of Discretionary Grant Competitions

A. [§ 75.100] Eliminating Federal Register publication of Notices Inviting Applications would move grant announcements out of the public record that the education community has relied upon.

The Department proposes to eliminate the current requirement that NIAs be published in the Federal Register, relying instead on publication through Grants.gov, citing

[17] Proposed 34 CFR 76.700; 91 Fed. Reg. 54,666 (Aug. 24, 2026).

administrative cost savings and the Department's ongoing reorganization.[18] AAU appreciates the Department's interest in reducing administrative costs, but the Federal Register serves a function that Grants.gov, as an operational rather than a public-record platform, does not replicate. The Federal Register is centralized, permanently archived, and searchable in a manner the education community has relied upon for decades to track the announcement of Department grant competitions.

The practical risk of this transition is not limited to grant applicants. The Department's discretionary competitions frequently operate on compressed timelines, often affording applicants only 30 to 60 days to prepare a complete application once an NIA is announced. An applicant who misses an announcement because it was published on an unfamiliar platform, rather than the Federal Register, may lose the ability to compete for that cycle entirely. This risk extends beyond prospective applicants to the broader community of institutions and advocates, including those connected to Strengthening Institutions Program grantees and the disability-services grants administered by the Office of Special Education and Rehabilitative Services, which monitors NIA publication to ensure that the Department's competitions proceed on a timely and transparent basis. An administration that has repeatedly described itself as the most transparent in its history[19] should, in AAU's view, prefer the platform that has actually functioned as the public transparency mechanism for federal grantmaking, rather than an operational database better suited to applicant workflow.

Recommendation: AAU recommends that the Department continue to publish Notices Inviting Applications in the Federal Register.

B. [§§ 75.104, 75.105] Removing Federal Register publication of maximum award amounts and selection priorities would reduce public accountability for how discretionary funds are allocated.

The Department separately proposes to eliminate the requirement that maximum award amounts and absolute, competitive, and invitational priorities for grant competitions be published in the Federal Register, again relying on Grants.gov[20]alone. AAU raises the same transparency concern here that it raises with respect to § 75.100 with particular force given these two categories of information communicate to the public.

[18]Proposed 34 CFR 75.100; 91 Fed. Reg. 54,666 (Aug. 24, 2026).
[19]See, e.g., Sunday Shows: Most Transparent Administration in History (2025).
[20]Proposed 34 CFR 75.104, 75.105; 91 Fed. Reg. 54,666 (Aug. 24, 2026).

Publishing maximum award amounts in the Federal Register allows the public to confirm that the Department's competitions are proceeding consistently with congressional appropriations. Publishing selection priorities in the Federal Register allows the public to see, in advance of any award decision, how the Department intends to evaluate competing applications. Both functions matter because they are paid for with taxpayer funds, and taxpayers are entitled to understand, on a public and durable record, what the Department intends to spend and how it decides which applicants receive funding. For applicants, retaining Federal Register publication also preserves a single, familiar system for understanding what a given competition expects of them, rather than requiring institutions to separately track a Department-specific operational platform for information that has always been available on the government's central public record.

Recommendation*: AAU recommends that the Department continue to publish maximum award amounts and all selection priorities in the Federal Register.*

IV. Conclusion

Modifying agency regulations to reflect an administration's priorities is an ordinary and legitimate exercise of executive authority, and AAU does not dispute the Department's prerogative to do so. That authority, however, should be exercised in a manner that eases compliance, sustains the Department's discretionary grant programs, and reflects a clear understanding of the students, researchers, and institutions those programs serve. Several of the provisions addressed above do not, in AAU's view, reflect that understanding. Additionally, several provisions proposed by the Department mirror substantive changes to the government-wide Uniform Guidance that Congress has just specifically paused, raising serious questions about whether this rulemaking would accomplish, at a single agency, what Congress has just declined to permit government-wide. In addition, several provisions addressed above would reduce transparency and the public's ability to track how the Department spends congressionally appropriated funds at a time when public confidence in that stewardship is slipping.

AAU appreciates the opportunity to comment on this proposal and urges the Department to take our concerns seriously. AAU welcomes the opportunity to serve as a resource to the Department as it works to ensure that its discretionary grant programs continue to serve the nation's students, researchers, and institutions.

Summary of AAU's Recommendations

- Withdraw § 75.228 in its entirety, or, at minimum, supplement the record with an analysis of its consistency with 2 CFR 200.306(a) and 200.414(c) and its disparate effect on less-resourced institutions.
- Withdraw the proposed removal of § 75.253(c) and retain the current performance-based standard governing continuation of funding decisions.
- Require documented findings, a 90-day notice and cure period, and exclusion of student-facing programs before any termination for convenience under § 75.901.
- Define "merit" and "qualification" under § 76.500 with objective, program-specific standards, or withdraw the certification requirement.
- Exclude Executive Orders from the list of federal policies with which grantees must certify compliance under § 76.700.
- Continue to publish Notices Inviting Applications, maximum award amounts, and all selection priorities in the Federal Register under §§ 75.100, 75.104, and 75.105.

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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

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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

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

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.