Northwestern

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Comments on U.S. National Science Foundation Proposal/Award Information—NSF Guidance on Financial Assistance

Docket No. NSF-2026-OTR-0001

August 24, 2026

As an institution proudly partnering with the National Science Foundation (NSF) to conduct and administer federally funded fundamental research grants, Northwestern University appreciates the opportunity to comment on NSF's proposed *Guidance on Financial Assistance* (GFA), formerly known as the *Proposal and Award Policies and Procedures Guide* (PAPPG).

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

Northwestern echoes the comprehensive response submitted in response to this proposal 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 University, Response to Request for Information on National Science Foundation Proposal/Award Information-NSF Guidance on Financial Assistance, Docket No. NSF-2026-OTR-0001, August 24, 2026
2. Northwestern University, Comments on Proposed Revisions to the Uniform Guidance Governing Federal Financial Assistance, Docket No. OMB-2026-0034, July 13, 2026

MEMORANDUM

To: U.S. National Science Foundation
Randolph Building, 401 Dulany Street
Alexandria, VA 22314

From: Catherine Johnson, Deputy Vice President for Government Relations and Public Policy, Association of American Universities
Kate Hudson, Deputy Vice President and Counsel for Government Relations and Public Policy, Association of American Universities

Date: August 24, 2026

Re: Request for Information on National Science Foundation Proposal/Award Information-NSF Guidance on Financial Assistance**,** Docket No. NSF-2026-OTR-0001

The Association of American Universities (AAU) appreciates the opportunity to respond to NSF-2026-OTR-0001 - National Science Foundation Proposal/Award Information-NSF Guidance on Financial Assistance (GFA). Founded in 1900, AAU is composed of 69 of America's leading research universities that collectively conduct a significant amount of federally funded university research; train the next generation of scientists, engineers, and scholars; and operate research centers and programs of national and international significance. As major recipients of NSF grants and cooperative agreements, AAU member institutions are directly affected by the proposed revisions.

Across AAU member institutions, NSF awards support a wide range of activities, including graduate and early-career workforce development, fundamental and use-inspired research, research infrastructure, and translating discoveries into societal benefits. Given the depth and breadth of NSF's partnership with AAU member institutions, AAU has a strong interest in ensuring that NSF's proposal and award policies remain clearly defined, grounded in statutory authority, consistently applied across the agency, and informed by the realities of how federally funded research is conducted.

AAU appreciates the time and effort that NSF has put into reforming the Proposal and Award Policies and Procedures Guide (PAPPG) into the Guidance on Financial Assistance (GFA), with the intent to simplify and incorporate plain language, clarify and separate policies and procedures, and connect all of these to the originating statutes, guidance, and regulations. The PAPPG, and now the GFA, are critical guides that our 69 member institutions rely on to structure their institutional operations, grants-management systems, and compliance personnel training.

Consistent with NSF's request for feedback, AAU's comments focus on improving clarity and usability, reducing administrative burden, and strengthening the guide's overall structure. AAU also addresses selected new requirements, proposed policy changes, and current PAPPG provisions that would be removed or no longer clearly reflected in the draft GFA.

This letter does not address every provision of the draft GFA. AAU's silence on any provision not discussed below should not be read as agreement with, or acceptance of, the current draft text. AAU reserves the right to comment on any provision of the draft GFA, whether or not addressed here, at any subsequent stage of this proceeding.

[Summary of Changes; Overall Document Changes; G 25; G 8] Incorporating the OMB Proposed Uniform Guidance Before it is Finalized will be Destabilizing and Undermine NSF Supported Research.

AAU submitted comments to the Office of Management and Budget (OMB) on the proposed changes to the Uniform Guidance (2 CFR Part 200) and identified several provisions that should be modified or withdrawn to ensure it does not bring significant new uncertainty into the administration of federal awards and impair the ability of universities to carry out the critical research, training, and public-service missions that federal funding to America's research universities is intended to support.[1] The GFA Summary of Changes expressly states that it is aligning NSF policy with OMB's proposed revisions to 2 CFR Part 200 through the proposed rule published on May 29, 2026.[2] As a result, if OMB revises, delays, or withdraws its proposal, NSF and its recipients could be required to revise guidance, award terms, policies, systems, and training more than once. As previously mentioned, the PAPPG, and now the GFA, are critical guides that our 69 member institutions use to structure their institutional operations, grants-management systems, and compliance personnel training. It is also critically important to note that the OMB's proposed revisions to 2 CFR Part 200 have not yet been finalized and looks likely to be delayed by Congress.

While several GFA provisions directly reference the proposed changes to the Uniform Guidance, others offer very little transparency into how NSF will be incorporating them into the GFA, including sections concerning pre-issuance review and award selection under proposed 2 CFR Section 200.205, recipient risk assessments under proposed Section 200.206, additional award conditions referred to in proposed Section 200.208 as "specific conditions," as well as international participation, payment documentation, subrecipient administration, and award

[1] https://www.aau.edu/resource-library/aau-comments-ombs-uniform-guidance-rule
[2] (see 91 Fed. Reg. 32, 198, May 29, 2026)

termination. Absent a clear reference to and full disclosure of how NSF plans to implement these policies and procedures, it is impossible to determine the full impact of the GFA on AAU member institutions.

The GFA draft aligns Guide 25 with proposed 2 CFR Sections 200.211(c)(1)(v) and 200.340 through 200.343 and would operate alongside proposed Section 200.208 on additional award conditions. The proposed revisions to 200.340 through 200.343 represent one of the most consequential structural changes in the entire rulemaking[3]. The revisions grant NSF broad discretion to suspend or terminate awards based on shifting priorities and undefined standards, departing from the historically stable framework governing federal research grants. This expansion of discretionary termination and suspension authority under vague and undefined standards would chill participation in not just NSF programs, but all federal research programs, slowing scientific progress and increasing the likelihood of stalled or abandoned projects at precisely the moment when sustained American investment in research is critical to national security, economic competitiveness, and public health.

Beyond its implications for research awards, the proposed approach introduces material economic risk by reducing the reliability and predictability of federal funding streams that underpin key sectors of the economy. Moody's Ratings has concluded that the revisions to 2 CFR Section 200 would materially weaken the reliability of multi-year federal funding commitments and could be a credit negative for entities that depend on competitive federal awards (including research universities, hospitals, transit systems, and local governments).[4] Any resulting credit downgrades or increased borrowing costs to our universities would reduce the resources they have and reverberate through capital planning and long-term investment decisions, ultimately raising infrastructure, research, education, and public service costs to our institutions while dampening economic activity tied to the federally supported innovation ecosystems.

Guide 8 of the GFA draft states that a recommendation must be "approved by the NSF leadership official" before proceeding to the cognizant Grants Officer, without defining that official or explaining whether this language merely describes the existing Division or Office review or creates an additional senior-level policy screen. The proposed GFA also incorporates Section §200.205 the proposed OMB regulation that would subject all NSF awards to review and approval by a politically appointed official. This would profoundly alter how NSF makes discretionary grant funding decisions in ways that risk undermining U.S. global scientific leadership, economic competitiveness, and national security. Under this process, individual grant awards would be subject to review by politically appointed officials to assess whether proposals are ideologically consistent with the "President's policy priorities." This would slow funding decisions, inject uncertainty into the research pipeline, and weaken the merit-based system that has long been a cornerstone of U.S. innovation.

Furthermore, the proposed pre-issuance review process is inconsistent with the statutory framework Congress has established to govern scientific grantmaking. The National Science

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[3] Id.
[4] "Public Finance - US: Proposed rewrite of federal grant rules would erode reliability of discretionary awards," *Moody's*, June 5, 2026

Foundation Act includes an express "[r]eaffirmation of merit-based peer review" for evaluating grant proposals, relying on the fact that NSF's "peer review and merit review processes have identified and funded scientifically and societally relevant basic research and should be preserved."[32] Other funding programs administered by NSF require "merit review," including review by "panels" populated by "representative[s] of eligible institutions, including research universities."[5]

AAU Recommendation*: NSF should delay the effective date of the GFA until after the proposed Uniform Guidance provisions are finalized. Only after that should it reissue the GFA for public comment for another 60 days. Incorporating pending Uniform Guidance provisions into NSF guidance does not resolve the concerns raised in the OMB rulemaking by AAU and tens of thousands of other stakeholders. Therefore, NSF should not move to operationalize within NSF before OMB has addressed the public comments. If NSF cannot pause the review process of the GFA, NSF should remove or defer provisions that depend on OMB's proposed rule and retain the current PAPPG approach in those areas until the OMB rule is finalized.*

[G3.C and G3.G] The GFA Expands Institutional Certification Obligations Beyond Matters Within Institutional Knowledge and Control

NSF has a legitimate interest in protecting the research enterprise from foreign malign influence and ensuring complete disclosure by research personnel. However, several provisions in Guides 3.C and 3.G require institutions to certify facts that they cannot reasonably verify and that may be known only to individual researchers. In particular, Guide 3.C, Policy 2 requires institutions to certify that senior/key personnel are not participants in a malign foreign talent recruitment program, while Guide 3.G, Policy 9 more appropriately requires institutions to certify that individuals have been informed of, and have complied with, their own certification obligations. This shift from a process-based standard to a fact-based institutional certification standard creates compliance risk by holding institutions accountable for information that may be concealed from them by their faculty or otherwise beyond their ability to verify.

Guide 3.G, Policy 7 similarly expands institutional certification obligations regarding current and pending support beyond the notification-based approach reflected in prior NSF policy and established in statute. The statute requires key personnel to disclose current and pending funding sources in applications for all federal research and development awards and requires applicant institutions to certify that participating key personnel have been fully notified of these disclosure obligations.[6] Policy 7 also introduces ambiguity through its use of the undefined term "proposers."

Lastly, Guide 3.C. Policy 4 requires recipients to disclose any proposal contributors who were employed by NSF within the previous two years, regardless of their level of effort or

[5] Id. § 1862c(a)(2)(A)–(B); see also id. §§ 1862n-1, 1862n-1a, 1862s-5
[6] PL 116-283, codified at 42 U.S.C. § 6605

involvement, thereby implementing a proposed revision from 2 CFR 200.112 that has not yet been finalized and requiring institutions to build compliance systems that exceed what is required in statute. NSF should limit institutional certifications to matters that institutions can administer, document, and verify through established compliance processes.

AAU Recommendation*: NSF should revise Guide 3.C, Policy 2 to align with Guide 3.G, Policy 9, prior NSF policy, and applicable statutory requirements by requiring institutions to certify that senior/key personnel have been informed of, and complied with, their individual certification responsibilities, rather than requiring institutions to certify underlying facts that may be outside their knowledge or control. NSF should also ensure that the certifications in Guides 3.C and 3.G are limited to verifiable institutional processes and are aligned with finalized federal requirements.*

[G2.C, Term 8; G3.C; G14.A] The GFA Departs from the Statutory Definition of a Malign Foreign Talent Recruitment Program

Protecting federally funded research from inappropriate foreign influence and ensuring institutions have clear, consistent standards to implement those protections are important NSF objective that AAU supports. Guide 2.C, Term 8 replaces the longstanding statutory definition of a Malign Foreign Talent Recruitment Program (MFTRP) with a broader, summarized standard that departs from the definition established by Congress and incorporated in prior NSF policy[7]. The revised language introduces subjective concepts, such as activities that could conflict with an individual's "institutional responsibilities," and replaces clearly defined statutory categories with broader, less precisely bounded terms. The GFA also directs recipients to an NSF webpage for the full definition rather than incorporating the governing standard in the award framework itself. Reliance on an external webpage is problematic because changes to the definition could occur outside the award framework, making compliance expectations less stable and predictable for recipients. Together, these changes may create uncertainty for institutions seeking to make consistent compliance determinations across federal agencies and throughout the life of an award. NSF should retain a clear, stable, and authoritative definition that aligns with the statutory framework.

AAU Recommendation*: NSF should remove the summary definition in Guide 2.C, Term 8 and replace it with a cross-reference to, or reproduction of, the statutory MFTRP definition in 42 USC 19237. NSF should make the same change in Guides 3.C and 14.A to ensure a consistent, legally grounded standard throughout the GFA.*

[7] 42 USC 19237 : Definitions

[G25.B and G25.C] The Research Misconduct Provisions Create Ambiguity by Establishing Standards Beyond the Governing Regulation

The GFA's research misconduct provisions create uncertainty by introducing requirements that do not appear in NSF's governing research misconduct regulation, 45 CFR 689. Rather than providing clarity, the guidance establishes overlapping standards that institutions must reconcile when administering research integrity programs. The inclusion of additional confidentiality and record-retention expectations, particularly where key terms and triggering events are undefined, may lead to inconsistent interpretation and implementation across institutions. Effective compliance programs require clear, predictable, and authoritative standards, especially in matters involving sensitive misconduct proceedings. By supplementing rather than simply referencing the governing regulation, the GFA risks creating confusion regarding recipient obligations and the applicable compliance framework. NSF should rely on its established regulatory process rather than imposing additional research misconduct requirements through guidance.

AAU Recommendation*: NSF should replace Guides 25.B and 25.C with a direct cross-reference to 45 CFR 689 as the controlling authority for research misconduct proceedings. Eliminating duplicative and potentially inconsistent guidance would provide institutions with a clear and reliable governing standard.*

[Summary of Changes; G4.B.B9; G4.B.B10; G8.E, and G12.C] The GFA Removes Longstanding Indirect Cost Protections, Creates Uncertainty for Recipients

The draft GFA does not itself restate OMB's proposed preference for institutions with lower negotiated indirect cost (IDC) rate recovery in proposed Section 200.205(b)(3). However, the Guide Summary of Changes states that applicable 2 CFR Part 200 requirements control even when not discussed in the GFA. As AAU stated in its OMB comment letter, this provision injects a non-merit factor into the competitive award process, conflicts with the statutory framework Congress has established for merit-based scientific grantmaking, is inconsistent with congressional appropriations language that protects negotiated IDC rates at multiple agencies including NSF, undermines substantial reliance interests built on the government's longstanding treatment of those rates, and rests on assumptions about proposal evaluation that do not reflect how competitive research funding operates in practice.

In addition, several revisions in the draft GFA eliminate or modify longstanding NSF policies that protect IDC rate recovery, prohibit voluntary committed cost sharing through IDC reductions, and establish clear limits on pre-award budget negotiations. In particular, Guide 4.B, Policy B9 no longer expressly states, as PAPPG 21-1, Chapter II does, that use of an indirect cost rate below an organization's negotiated rate violates NSF's cost-sharing policy. Likewise, Guide 4.B, Policy B10 omits the longstanding recognition that foregoing full facilities & administrative (F&A) recovery constitutes voluntary committed cost sharing. Guide 4B, Policy B9.4 also broadens NSF's authority to negotiate award-specific indirect cost rates without clearly limiting that authority to organizations that do not have a federally negotiated rate agreement.

Guide 8.E, Policy 2 further removes existing protections in the PAPPG 24-1, Chapter III that prevent indirect cost rates and other institutional commitments from becoming subjects of pre-award budget negotiations. Finally, the language in Guide 12.C, Policy 11 could be interpreted to permit limitations on the recovery of negotiated indirect costs based on funding availability, significantly expanding NSF's discretion beyond prior policy. Taken together, these changes create uncertainty regarding NSF's continued commitment to longstanding policies that promote equitable competition among institutions and the consistent treatment of federally negotiated indirect cost rates.

AAU Recommendation*: NSF should restore the protections previously contained in PAPPG 24-1 by clarifying in Guides 4.B, Policy B9; 4.B, Policy B10; Guide 8.E, Policy 2; and Guide 12.C, Policy 11 that negotiated indirect cost rates are not subject to reduction, negotiation, or discounting during the proposal and award process. NSF should also clarify that award-specific indirect cost rate negotiations under Guide 4.B, Policy B9.4 are permissible only when no applicable federally negotiated rate exists and confirm that foregone F&A recovery remains prohibited for use as voluntary committed cost sharing.*

[G21.A] The Draft Guide Departs from the Regulatory Text Governing Patent Rights and Retained Title

The Bayh-Dole Act's core bargain depends on stability. Universities and other nonprofit recipients invest in invention disclosure, patent prosecution, and commercialization on the strength of a predictable statutory and regulatory framework: recipients retain title to inventions made with federal support, subject to a small number of narrowly bounded government rights, including march-in rights, that Congress and the implementing regulations at 37 CFR Part 401 define with precision. The current PAPPG respects this precision by anchoring NSF's patent rights policy directly in the regulatory text. The draft GFA, however, does not align with the Bayh-Dole framework, resulting in ambiguity created by four provisions in the GFA.

First, Guide 21.A. Policy 1 replaces the PAPPG's statement that "NSF applies the policies of the Bayh-Dole Act to all its recipients," together with its citation to 37 CFR 401.14 as the source of the standard patent rights clause, with a statement that NSF "generally applies its standard Patent Rights terms and conditions in awards for research, consistent with the Bayh-Dole Act." The substitution "generally applies" for a direct citation to the governing clause leaves recipients unable to determine whether NSF's standard terms and conditions remain those set out in 37 CFR 401.14, or whether NSF intends some undefined, agency-specific variation.

Second, Guide 21.A. Policy 5 governs special patent provisions, the mechanism by which NSF may restrict or eliminate a recipient's right to retain title in exceptional circumstances. The draft omits the PAPPG's citation to 37 CFR 401.3(e), which requires a written determination and notice to the recipient before NSF may invoke that authority. This is not a stylistic simplification; it removes the recipient's visibility into the procedural predicate for an action that directly affects ownership of federally funded inventions. Compounding the concern, the same provision shifts the retained-rights language from the "recipient" to the "inventor." Bayh-Dole's institutional-ownership structure vests the election to retain title, and the correlative rights that follow a special patent provision, in the recipient institution, not in the individual inventor. This is a substantive revision, not an editorial one, and it should not be adopted through guidance that neither flags the change nor explains its basis.

Third, Guide 21.A's summary of March-In Rights is stated in terms that could diverge from the standard set out at 37 CFR 401.14(j). March-in rights are an extraordinary remedy that Congress and the implementing regulations bound narrowly and deliberately. Given the sustained public and congressional attention that march-in authority has drawn in recent years, NSF guidance should not restate that standard in its own words; any restatement, however faithful it is intended, creates a second, competing articulation of the standard and invites future disputes over which formulation controls.

Fourth, Guide 21.A. Policy 5 omits any reference to the reporting requirement at 37 CFR 401.3(f). Under the current PAPPG, when NSF determines that exceptional circumstances justify restricting or eliminating a recipient's right to retain title to an invention, the cognizant Grants Officer must not only prepare the written determination required by 37 CFR 401.3(e), but must also ensure that the determination is reported to the Secretary of Commerce and the Chief Counsel for Advocacy of the Small Business Administration. That reporting obligation is not an NSF-specific practice; it derives from a Department of Commerce regulation implementing the Bayh-Dole Act government-wide, and it applies identically to every federal agency that makes such a determination. The draft GFA's Policy 5 removes this requirement without explanation, which would allow NSF to restrict a recipient's title to a federally funded invention through a wholly internal determination, unreviewed by the agency that Congress designated to oversee consistent application of the Bayh-Dole Act across the government. This is not a simplification of process; it is the elimination of the principal external check on NSF's authority to displace a recipient's ownership rights.

AAU Recommendation*: NSF should restore the citation to 37 CFR 401.14 in Guide 21.A.Policy 1 as the source of NSF's standard patent rights clause; restore the citation to 37 CFR 401.3(e) in Guide 21.A.Policy 5 together with the PAPPG's "recipient," rather than "inventor," retained-rights language; restore the reporting requirement to the Secretary of Commerce and the Chief Counsel for Advocacy of the Small Business Administration under 37 CFR 401.3(f); and replace the summarized March-In Rights definition with a direct cross-reference to 37 CFR 401.14(j) in place of paraphrase.*

***[Summary of Changes; G4.B; G12.E; G21.B]* The Disallowance of Publication Costs Cannot Be Reconciled with the GFA's Expanded Public Access Mandate**

The GFA's Summary of Changes states that publication costs will be disallowed, consistent with the proposed Uniform Guidance revision, while other provisions continue to list page charges and related costs as allowable and while Guide 21 simultaneously expands public access requirements, including new deposit obligations for books. Through this change, NSF would be essentially mandating dissemination while removing the principal means by which researchers fund compliance with that mandate. AAU raised a related concern in its comments to OMB regarding the proposed rule's treatment of scientific communication costs, including library subscriptions.[8] NSF should not adopt that approach before OMB resolves it, and should also not do so in a form that is internally inconsistent with its own public access and data sharing terms and requirements.

***AAU Recommendation**: NSF should withdraw the Summary of Changes statement disallowing publication costs, resolve the inconsistency between Guides 4, 12, and 21, and confirm that reasonable and allocable costs necessary to comply with NSF's public access and data-sharing requirements remain allowable.*

[G5.H] The Data Management and Sharing Plan Requirements Impose Premature and Inflexible Pre-Award Obligations

The GFA's revisions to the Data Management and Sharing Plan (DMSP) transform what has been a planning document in PAPPG 24-1 into a set of required pre-award commitments. By replacing permissive language with mandatory requirements, the policy requires investigators to provide detailed information that may not be known to them until later stages of the research lifecycle and before key compliance, data management, and dissemination decisions can reasonably be made. The resulting requirements reduce the flexibility necessary for research projects to evolve as scientific inquiry progresses and create obligations that may become outdated as projects develop. The policy also establishes expectations without providing a mechanism to modify DMSP commitments when research directions, regulatory determinations, or data management needs change post-award. In addition, the increased specificity and administrative burden may disproportionately affect early-career investigators who do not have previous experience developing DMSPs.

***AAU Recommendation**: NSF should remove the proposed revisions to Guide 5.H that convert the DMSP from a planning tool into a set of mandatory pre-award commitments. At a minimum, NSF should preserve the DMSP's planning function by allowing flexibility where information is not known at proposal stage and by permitting post-award updates when circumstances change.*

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[8] AAU OMB Comments, Section II.B.

Conclusion

AAU supports NSF's goal of improving the accessibility, organization, and usability of its award and proposal guidance. A clear, well-structured, and durable framework benefits both the Foundation and the research institutions that carry out NSF-supported activities. However, several provisions in the draft GFA create uncertainty, depart from established statutory or regulatory frameworks, expand recipient obligations beyond matters institutions can reasonably administer, and prematurely incorporate proposed government-wide requirements that have not yet been finalized.

As described throughout these comments, AAU urges NSF to maintain the stability, predictability, and merit-based principles that have long characterized NSF's stewardship of federally funded research. In particular, NSF should refrain from incorporating proposed Uniform Guidance revisions until that rulemaking process is complete; preserve clear connections to governing statutes and regulations where Congress and federal agencies have already established authoritative standards; and ensure that new requirements are accompanied by sufficient clarity, transparency, and implementation guidance for recipients.

AAU greatly appreciates the opportunity to provide these comments and looks forward to continued engagement with NSF as it refines the GFA. We would welcome the opportunity to discuss these recommendations further and to work collaboratively with the NSF to develop policies that strengthen accountability while sustaining the research enterprise that drives U.S. scientific leadership and competitiveness. NSF's longstanding partnership with America's leading research universities has produced scientific discoveries, technological innovation, workforce development, and economic growth that have greatly benefited the nation in the past. We look forward to maintaining and strengthening this ongoing partnership in the future.

Northwestern

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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.