AUTHORS ALLIANCE | authorsalliance.org 510.480.8302 | 2108 N ST #8898 Sacramento, CA 95816

July 13, 2026

Russell Vought, Director
Office of Management and Budget
VIA REGULATIONS.GOV

RE: Regulation for Federal Financial Assistance,
Docket no. OMB-2026-0034
COMMENTS OF AUTHORS ALLIANCE

Dear Director Vought,

Authors Alliance appreciates the opportunity to provide feedback to the Office of Management and Budget pursuant to the notice of the proposed rule, “Regulation for Federal Financial Assistance.”[1]

Authors Alliance is a nonprofit organization with the mission to advance the interests of authors who want to serve the public good by sharing their creations broadly. We create resources to help authors understand and enjoy their rights and promote policies that make knowledge and culture available and discoverable. In addition, we advocate on authors’ behalf before Congress, the courts, and other government entities. Many of our members are academic researchers, for whom Federal grants provide an essential and irreplaceable source of funding. In supporting our members, we partner closely with a number of academic research libraries, which are also funded in substantial part by Federal grants.

[General]

As a general comment, we appreciate the Office’s stated goals of transparency, accountability, and oversight. Taxpayers spend many billions of dollars on funding for research, and they deserve to receive the greatest possible benefit from their investment. When it was introduced, the Uniform Guidance in 2 C.F.R. was a significant improvement over the previous system of circulars, leading to greater efficiency and clarity in the grants process. As with anything the size of the Federal grants programs, there is always room for improvement, and we commend the Office for its efforts to do so.

In particular, we appreciate the administration’s continued support of the Federal public access policies, whose goal is providing immediate taxpayer access to taxpayer funded research. The public access policies, where they have been implemented, have been an unqualified success in making the results of

1 91 FED. REG. 32198 (29 May, 2026)

research available to the people that ultimately paid for it. The policies have also benefitted authors of research articles, who as a result can see far greater impact for their work product.

We note that several components within the Federal government have not yet implemented a public access plan, despite the lapse of the deadline to do so.[2] To the extent the proposed rule is attempting to ensure compliance by all required components, that is a laudable goal. We encourage the Office to continue to strive to promote policies that increase access to—and public trust in—publicly funded research outputs.

The remainder of this comment addresses specific questions and concerns we have in the proposed rule. We do not attempt a comprehensive analysis—none would be possible for a 108-page notice within the time permitted. Instead we are focusing on two areas where we have already heard concern from our members.

[200.454]

Presently, section 200.454(a) permits costs of memberships in business, technical, and professional organizations, and § 200.454(b) permits costs of subscriptions to business, professional, and technical periodicals. The Office proposes to change § 200.454(a) to allow memberships in such organizations only if necessary to fulfill the award requirements, and only with prior approval from the agency; and to disallow subscriptions to periodicals entirely.

We note the Office's instruction, in PART IX of the NOI, not to raise questions in comments about indirect costs, since the Office is not proposing to alter those costs in this document. However, the proposed revision to §§ 200.454(a) and (b) creates ambiguity when read in the context of that instruction. If the Office intends not to interfere with negotiated indirect costs, then it cannot at the same time forbid the negotiated *uses* for those costs. That tension is already creating confusion in the academic community. We therefore request that the Office clarify the priority between the proposed § 200.454 and the statement in PART IX.

As the Office is surely aware, indirect costs are essential in developing the infrastructure needed to undertake significant and complex research studies. Indirect costs support the building of laboratories, for example, which may then be used for many future research projects, allowing future awardees to avoid costly redundancy in the use of direct funds. The research infrastructure that has made our scientific output the envy of the world cannot function without these indirect costs. This is one reason Congress has provided specific instruction for—and oversight of—negotiation of indirect costs at research institutions.

We acknowledge that academic grants form only a small fraction of the grants covered by the Uniform Guidance, and so the proposed rule may be clearer for those outside of the academy. However, in the academic environment, most subscriptions to business, professional, and technical periodicals come not

2 *See, e.g.*, https://sparcopen.org/our-work/2022-updated-ostp-policy-guidance/

from individuals but from the researchers' employing institutions—normally via their libraries—and indirect costs presently cover those costs in many institutions. Again, this is a benefit to the taxpayers and also reduces waste: central subscriptions via libraries make more information available to more people, and avoid redundant spending by individuals.

Periodical subscriptions are presently permitted under § 200.454(b), and they are permitted expenditures of indirect costs. It is not clear whether the new restriction in the proposed § 200.454(b) applies solely to individuals, for whom grant expenditure on periodicals would benefit only the individual; or if it would also apply to institutional spending via libraries (via indirect costs), and thus cancel the salutary effect described above. We have already noted much confusion on this point in our community.

We take the Office at its word that indirect costs are not affected by the proposed rule, and therefore request that the Office clarify what we assume it means: that the disallowance of costs associated with periodicals in § 200.454(b) only applies to *direct* costs applied by the grant investigators, and not to indirect costs incurred by institutions. We have a similar concern with respect to subsection (a), in that institutional membership in a business, technical, or professional organization is at times the only means of subscribing to the organization's periodical.

Finally, we would like clarification that indirect funds are allowable for institutional support for open access, such as through the University's own publication of open access journals.

[200.340], [200.343] (sections discussed together)

The present Section 200.340(a) provides for termination of awards by the agency or pass-through entity under two conditions—for failure to comply[3] and when the grant no longer effectuates the program goals or agency priorities[4]—but only under the grants terms and conditions. The Office proposes to revise Section 200.340 by allowing the agency or pass-through entity to terminate grants *at their discretion* if either the present or a future Administration determines the grant does not meet its priorities. In addition, the Office proposes to amend Sec. 200.343 to provide the agency or pass-through entity further discretion as to whether to allow costs from unreimbursed financial obligations incurred.

We acknowledge the proposed revision's provision that the discretion must not exceed that which is permitted by law; we have doubts about whether such discretion is legally permissible in the first place. Recent litigation has not established termination of grants already awarded as a discretionary right of the administration[5] and, as the Office is aware, every action an agency takes must be consistent with its Congressional mandates. We think it unlikely Congress intended to permit broad discretion for presidents

3 2. C.F.R. § 200.340(a)(1)
4 2. C.F.R. § 200.340(a)(4)
5 For example, the administration's recent victory in National Institutes of Health v. American Public Health Association, 606 U.S. ____ (2025), was a victory only in forum. The stay order did not reach the merits of the discretionary termination question.

or their administrations to revoke grants already made under its spending authority. We also think it unlikely the Administration could convince courts that they are so authorized, either under the Office's cited statutory authorities or in fact any other authority.

However, even if such a rule were permissible under existing or future authorities, it would result in poorer research, and would leave the American people very far from the exceptional standard of scientific research and development they deserve and to which they are accustomed. Discretionary termination of already-awarded grants prevents researchers—and the rest of the public—from *trusting* that the United States keeps its word.

Without that trust, the entire funding operation is endangered, because trust in the system is what creates the stability on which the research enterprise depends. The need for stability is particularly acute in projects for whom grants would fund many years' worth of study. These studies are often the most difficult to fund, and yet also are some of the most impactful and beneficial. For example, the New Horizons mission to Pluto,[6] which captured the imaginations of countless Americans, took more than 20 years to complete. Another prominent example, the National Longitudinal Study of Adolescent to Adult Health, was begun in 1994 and to date has generated more than ten thousand publications.[7]

Under the proposed change, a grant that meets the current administration's priorities might be revoked immediately upon the inauguration of the next president. In addition to wasting possibly millions of dollars in funds already paid, under the proposed Section 200.343 revocation potentially leaves the grantee on the hook for costs they might already have committed but which have not yet been paid. Even if awardees eventually recoup their reliance costs in court, if million-dollar grants can be revoked based on nothing more than changing political winds, then they are not grants at all—they are million dollar encumbrances. Federal grants, currently the gold standard of funding sources, might over night become no more than fools' gold.

Furthermore, the proposed rule gives decisions over people's lives and livelihoods to the discretion of an agency head without any meaningful constraint on that discretion. Without some form of independent review, the agency head's new-found power invites capriciousness. In addition to inviting challenges under *State Farm,*[8] the proposed rule discourages trust in the government.

Once lost, trust in the system could take decades to repair, if indeed it would be reparable at all, and that loss would exact an enormous cost. If researchers cannot trust in their most important funding source, the inevitable result would be important research never being conducted in the first place. The cost of those lost opportuniies cannot be measured, but if it could it would be measured in human lives and human suffering.

Oversight is valuable, and is worth pursuing. But it should be handled with a scalpel, not a sledge hammer, and the present regulations are more than equal to the task. Section 200.340 already provides for

6 *See* https://science.nasa.gov/mission/new-horizons/

7 *See* https://addhealth.cpc.unc.edu/publications/

8 Motor Vehicle Mfrs. Ass'n v. State Farm Mutual Automobile Ins. Co., 463 U.S. 29 (1983)

termination of grants by the agency or pass-through unit for noncompliance with the terms and conditions. That existing power is sufficient to guard against the Office’s concerns about transparency and oversight.

Rather than change the regulation, agencies should, instead, use the power they already have more assiduously. With seven-figure grants at stake, the government *should* be very careful in determining how to award them in the first place, giving careful consideration to thoughtful peer review. And then they should commit to their promise once they have done so.

Sincerely,

Dave Hansen
Executive Director, Authors Alliance