

July 10, 2026

The Honorable Russell T. Vought
Director Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Re: Comments on the Proposed Regulation for Federal Financial Assistance (Docket No. OMB-2026-0034)

Dear Director Vought:

I write on behalf of the Massachusetts Institute of Technology (MIT) in response to the Office of Management and Budget's (OMB) proposed Regulation for Federal Financial Assistance, published in the Federal Register on May 29, 2026. I appreciate the opportunity to share MIT's perspective on this critically important matter.

MIT's enduring mission is to advance knowledge and educate students in science and technology, and other areas of scholarship that will best serve the nation and the world in the 21st century. Eight decades ago, former MIT Dean of Engineering and national World War II science advisor Vannevar Bush delivered a report to President Harry S. Truman titled *Science: The Endless Frontier*¹. The report laid out a model of scientific partnership between America's research universities and the U.S. government—a partnership that has delivered extraordinary benefits for the American people, from radar and information theory to the Human Genome Project, from gravitational-wave astronomy to the foundations of modern artificial intelligence, and a long list of medicines, discoveries, and other technologies that have saved lives and built industries. The cutting edge work of thousands of MIT researchers, students, and staff, as well as a vast community of researchers across other U.S. universities and research institutions, is made possible by federal awards.

We believe in the power of this partnership to serve the nation. That is why we are writing today.

We recognize, and welcome, the parts of the proposed rule that aim to reduce duplicative requirements and to standardize practices across agencies. MIT supports a more efficient and consistent framework for federal research awards, and we are eager to engage with OMB to help realize those aims. However, the most consequential provisions of the proposed rule depart from three key principles that have made the American research system the strongest in the world:

1. Scientific merit and capability as the bases for issuing awards;
2. Stability of support for complex research programs; and
3. Openness to global talent and collaboration, paired with sensible, risk based safeguards.

¹ https://nsf-gov-resources.nsf.gov/2023-04/EndlessFrontier75th_w.pdf

These principles are not academic preferences. They are essential operating conditions underpinning America's historical dominance of modern scientific research. We believe that many of the objectives OMB sets forth as the basis for the proposal could be met without causing some of the collateral consequences we describe below. Accordingly, below, we focus on the provisions we believe should be substantially revised or withdrawn to ensure that the U.S. research ecosystem remains the most robust and productive in the world.

1. Awards Must Be Issued Based on Scientific Merit and Capability

America's leadership in science and innovation depends on open competition. The U.S. has remained at the forefront of science and technology for decades precisely because our institutions and the congressionally established process for funding research encourages reaching for more than incremental improvements to that which is known.

The current model is straightforward. Congress and the Executive Branch set national priorities by establishing budget levels for federal funding agencies; authorizing programs, often based on the input of recognized experts about the most promising areas of current science; and establishing agency missions. Within those parameters, agencies then design programs, issue solicitations, administer peer review of proposals focused on scientific merit and capability, and make award decisions. In this way, the process achieves the fullest and most efficient realization of government mandates by funding the most promising research.

MIT recognizes that the administration is interested in ensuring a strong value return on the taxpayer funding provided to support the research enterprise. We believe that reducing or eliminating the role of scientific merit review by recognized scientific experts will actually undermine OMB's objective. Rigorous research design based on the best science and methods, with ambitious objectives, is the best way to ensure that value creation continues.

The proposed rule would undermine the scientific merit-based system in multiple ways, several of which warrant particular attention.

[200.205] Political-appointee pre-issuance review. The proposed rule would establish a review by "senior political appointees" before any award is approved. The review would screen awards for alignment with "the President's policy priorities," and expressly demote the historic, well-established scientific peer review process to an advisory status that "may not be ministerially ratified [or] routinely deferred to."

This change would insert political review in the award selection process, creating substantial risk that scientific merit would be subordinated to short-term policy alignment in granting research funding. Unlike scientific merit-based review, political review lacks clear criteria and would not reliably identify projects best positioned to achieve the scientific goals inherent in the longstanding partnership between research universities and the federal government. This could lead to adoption of some proposals with limited scientific value and/or poorly designed research methods that result in the expenditure of valuable research funding resources on research of limited impact.

The same provision would bar funding for initiatives that "promote anti-American values"—a phrase the rule does not define. Vague, viewpoint-based conditions on federal funding cannot be reconciled with the First Amendment because government funding cannot be conditioned on an unconstitutional restraint on speech or association. MIT reveres scholarship in service to the nation as an essential component of our

institutional mission—at their conceptual core, American values are MIT values. But holding federal science funding to a vague, undefined standard that can shift with any change in administration undermines the process of prioritizing objectivity, excellence, and academic rigor in our nation’s funding of science.

Equally important is that peer review should not be placed in a subordinate status. NIH describes the critical nature of peer review as follows: The “peer review process forms the cornerstone of the NIH extramural research program. Through this process, NIH seeks to ensure that applications for funding receive fair, independent, expert, and timely scientific reviews—free from inappropriate influences—so that NIH can fund the most promising research.” This same logic applies with equal force across all research areas. Peer review is the critical mechanism that has consistently identified the highest-impact science across decades and across administrations. Reflecting this importance, Congress has long built peer review into the governing statutes of major research agencies. *See, e.g.*, 42 U.S.C. § 1862s (NSF); 42 U.S.C. § 289a (NIH).

We urge OMB to remove this provision of the proposed rule.

[200.205(b)] Preference for lower indirect cost rates.

Indirect costs are the actual, audited costs of laboratories, specialized facilities, regulatory compliance, hazardous-waste management, data security, shared infrastructure, and other pooled costs that make federally funded research possible. Under the proposed rule, research-intensive institutions with higher negotiated rates would be disadvantaged relative to institutions with different cost structures and investments in research infrastructure, regardless of overall research capability or project value. MIT, for example, maintains a nuclear reactor for research use, radio telescopes for geoscience and military space situational awareness, an entire building of highly specialized laboratories for nanoscale discovery and innovation, and is developing a facility dedicated to quantum computing that will benefit researchers from across the nation. These facilities enable uniquely advanced research that cannot be undertaken elsewhere, and by their nature required significant capital investment by MIT.

MIT continues to meet the challenge of research that stretches the frontier in many fields to the benefit of American industry, national security, and shared prosperity. Establishing a preference for research proposals with lower indirect costs disincentivizes, and in fact discourages, ambitious research design. At a time of great global competition for science and technology leadership that calls for boldness, the proposal asks scientists to dream a little smaller.

Focusing disproportionately on indirect cost rates, which is only one element in the cost-benefit calculus of federally funded research, is also shortsighted as it fails to account for the return on investment for each federal dollar spent.

We urge OMB to remove this preference.

[200.206] Expanded pre-award risk assessment. The proposed rule would also expand pre-award risk assessments to include factors such as an institution’s “history of activities inconsistent with civil rights or religious liberty laws” and its “organizational affiliations.” These additions are categorically different in kind from the existing framework, which properly focuses on financial stability, management systems, audit history, and prior performance—each rationally connected to whether an institution can reliably execute a federal award.

Existing civil-rights statutes—such as Title VI, Title VII, Title IX, and Section 504—are enforced through well-developed administrative processes that include notice, hearing, and appeal. The new criteria, on the contrary, invite viewpoint- and association-based screenings that could violate First Amendment and Fifth Amendment protections. Denying funding for individual research projects on ideological grounds goes beyond established law and would not support the goal of efficiently advancing research on the merits.

We urge OMB to remove these subjective criteria and to continue to make awards based on factors directly relevant to a recipient’s ability to do the work to the highest scientific and operational standards.

2. Stability is Necessary for Transformative Scientific Work

Long-term stability of research funding is the operating condition under which the most consequential discoveries are made. At MIT, we have seen this firsthand. The Laser Interferometer Gravitational-Wave Observatory (LIGO), conceived in the 1970s, confirmed gravitational waves four decades later and opened a new branch of astrophysics through the vision and support of the National Science Foundation. Decades of fusion research at MIT’s Plasma Science and Fusion Center funded primarily by the Department of Energy have produced the technologies that may enable commercialization of fusion energy in the coming years. The development of CRISPR gene-editing technology—in which MIT-affiliated researchers played a foundational role—was made possible in significant part by sustained federal investment. It holds the promise of enabling treatment and potential cures for genetic diseases, cancer, heart disease, and other conditions. Breakthrough technologies like these are often the product of years of investment in research. Two provisions of the proposed rule, in particular, threaten the stable, predictable funding environment on which transformative research depends.

[200.340–200.343] Expanded termination and new suspension authority. The proposed rule would allow agencies to end discretionary awards whenever termination is “in the interest of the Federal agency,” including when an award no longer effectuates priorities “as they exist at the time of the termination.” Only a “brief summary” of reasons would be required; entire classes of awards could be terminated together; and there would be no meaningful appeal rights for discretionary terminations. We fundamentally disagree with this approach.

The nation’s return on investment in basic, enabling research is most frequently realized following a sustained discovery process involving a wide swath of projects, institutions, and curiosity-driven approaches unfolding over time. Terminating awards midstream destroys that value entirely and forfeits both the investment already made and the discoveries that investment was meant to produce. Institutions cannot responsibly make the decade-long commitments in personnel, specialized infrastructure, and research programs that transformative science requires if awards can be ended summarily, without individualized review, whenever agency priorities shift. The substantial increase in uncertainty created by this approach will likely lead to research proposals that are more modest or incremental rather than potentially groundbreaking, because it disincentivizes long-term capital and resource commitments.

In addition, the rule would allow for 90-day suspensions of federal awards with no requirements for written notice nor procedural requirements for agency follow-through, effectively allowing for agencies to issue “stop-work orders” at any time. Such suspensions cause severe disruptions to ongoing research, which could be unrecoverable for life sciences research involving living organisms, animals and human clinical trials.

We urge OMB to rescind this proposed expansion of termination and suspension authority, and to preserve individualized notice, written reasoning, and appeal rights.

[200.202(a)] Inserting “alignment with administration policies and priorities” into program design.

The proposed rule seeks to add a new criterion to program design that cuts against the stability of funding. Currently, the Uniform Guidance provides that federal research programs must be designed with clear goals and objectives that provide meaningful results and must be consistent with the federal authorizing legislation of the program. The proposed rule would add a new requirement that the research program also “align with administration policies and priorities.” This elevates administration policies and priorities and puts them on equal footing with enacted legislation. Unlike legislation, an administration policy or priority can be adopted immediately, can be confidential and not publicized, and can be changed at any time.

3. International Openness is Indispensable to American Scientific Leadership

MIT supports rigorous research-security measures, and we work closely with federal agencies to implement them. We also believe, based on long experience, that America’s scientific leadership depends on our ability to attract global talent and to maintain well-managed international collaborations. The right approach is risk-based, not categorical. Two provisions of the proposed rule in particular create unnecessary barriers.

[200.202(e)] Presumption against international research elements. The proposed rule would require a senior political appointee to make a finding of “compelling national interest” before any international element of a research project may be funded. This inverts the proper analysis. Whether a foreign collaborator adds scientific value should be answered through scientific review and a tailored security assessment, not a presumption against international participation that requires political override. MIT supports appropriate research security measures but opposes a presumptive international component exclusion.

The types of frameworks that the Executive Branch and Congress have previously put in place, for instance through implementation of National Security Presidential Memorandum 33 (NSPM-33) and the research-security provisions of the CHIPS and Science Act, provide for individualized risk-assessment and security controls, and agencies have invested significant resources in developing them. We urge OMB to remove the presumption embedded in Section 200.202(e) and to rely on those existing frameworks.

[200.220] Government-wide foreign collaboration prohibition. The proposed rule would impose government-wide restrictions on engagement with entities in China and other “covered foreign countries,” reaching substantially beyond the narrow, congressionally-enacted limits of the “Wolf Amendment” referenced by the rule. The Wolf Amendment is a single-agency, single-country restriction—applicable to NASA and focused on bilateral activities with the People’s Republic of China. By contrast, the proposed rule would use regulation to create a much broader framework untethered from those statutory limits. In particular, expanding the prohibition to include multilateral collaborations could prohibit American researchers from participating in legitimate, low-risk engagements with international scientific organizations and partnerships made up of broad international memberships that include entities in China. A risk-based approach would better protect national and research security without unnecessarily foreclosing lawful and beneficial international collaboration. We urge OMB to replace categorical restrictions with a tailored, risk-based standard that evaluates specific entities, technologies, activities, and threat indicators.

Fundamental Changes Deserve a Deliberate Process

Many of the most consequential provisions in this proposed rule—political-appointee review of awards, expanded termination authority, and presumptive exclusion of international collaboration—represent sweeping changes to the conditions under which federally funded research is conducted. The stability of the federal research enterprise depends on durable, predictable frameworks that transcend changes in administration. MIT is eager to discuss with OMB other possible methods of achieving the administration's goal of efficiency and true partnership with research universities for the benefit of the nation.

The 45-day comment period is not adequate for a rulemaking of this scope and consequence, and an October 1, 2026 implementation timeline is unrealistic for awardees to prepare for changes to compliance with any finalized revisions to this proposed rule. We respectfully urge OMB to extend the comment period by at least 45 additional days and to delay the October effective date so that institutions, agencies, and Congress have a meaningful opportunity to evaluate and respond.

Conclusion

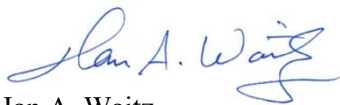
MIT's service to the nation is sustained and unbroken. The federal-university partnership envisioned by Vannevar Bush has succeeded for eighty years because the government invests in research across areas of national priority, selecting the best researchers to advance that work on the merits and then trusts those researchers to do it. We are concerned that the provisions we describe above in the proposed rule move away from that successful and world-renowned, merit-based model. They would substitute political views for scientific judgment, short-term alignment for long-term stability, and insularity for the openness that has been a source of American strength.

For decades, America has chosen to anchor its research enterprise in merit, stability, and openness. These values created the conditions for the most ambitious and successful scientific inquiries the world has ever known, producing breakthroughs of immense value to the prosperity, competitiveness, health, and security of the United States. The proposed rule endangers those values and, in doing so, jeopardizes the very foundation of American scientific preeminence at a critical time in history. MIT has long operated under the guiding principle that scientific inquiry should be based on scientific merit alone. In our view, America's leadership in science and innovation depends on independent thinking and open competition for excellence.

We urge OMB to reconsider these far-reaching changes. MIT stands ready to engage constructively with OMB to develop a regulatory framework that genuinely advances accountability, efficiency, and scientific excellence—goals that can be achieved only by preserving a commitment to transparency, merit, and rigor.

Thank you for considering MIT's perspective on the proposed changes to the Uniform Guidance.

Sincerely,



Ian A. Waitz

Vice President for Research

Jerome C. Hunsaker Professor of Aeronautics and Astronautics