CALIFORNIA
STATE
UNIVERSITY,
FRESNO

July 13, 2026

Mr. Russell Vought
Director
Office of Management and Budget
725 17th Street NW
Washington, DC 20503

RE: California State University, Fresno Comments to Federal Financial Assistance, 91 Fed. Reg. 32198 (May 29, 2026); Docket ID No. OMB-2026-0034; FR Doc. No. 2026-10817

Submitted Electronically: [https://www.regulations.gov/commenton/OMB-2026 0034-0001](https://www.regulations.gov/commenton/OMB-2026-0034-0001)

Dear Director Vought:

On behalf of **California State University, Fresno**, thank you for the opportunity to comment on the Office of Management and Budget's (OMB) proposed revisions to the Regulation for Federal Financial Assistance (Proposed Rule), published on May 29, 2026.

ABOUT CALIFORNIA STATE UNIVERSITY, FRESNO

California State University, Fresno (Fresno State) is the primary public university serving California's Central Valley. Founded in 1911, Fresno State enrolls nearly 25,000 students and graduates approximately 6,000 annually, contributing to an alumni network of more than 300,000.

Located in the heart of California's agricultural region and near the Sierra Nevada mountain range, Fresno State provides broad access to higher education and serves a diverse student population. More than 80% of students receive financial aid, and many are the first in their families to attend college. The university is ranked No. 2 nationally for value among public and private universities by Washington Monthly, reflecting its strong return on investment and commitment to student success.

Designated as an R2 doctoral university with high research activity, Fresno State offers 74 bachelor's degrees, 49 master's degrees and three doctoral programs, along with a competitive Division I athletics program. The university is committed to student success, research, public service and strengthening the economic and cultural vitality of the Central Valley and beyond.

The campus administers approximately $65 million annually in externally sponsored programs supporting research, workforce development, student success, public service, and community partnerships in collaboration with federal, state, local, nonprofit, and industry partners.

Office of the President
Harold H. Haak Administrative Center
Library, Suite 4104
5200 N. Barton Ave. M/S UL48
Fresno, CA 93740
559.278.2324

Fresno State supports and **expressly adopts and incorporates by reference** the comment letter submitted separately by the California State University Chancellor's Office on behalf of the 22-campus CSU system. We respectfully request that OMB consider the Chancellor's Office comments as fully incorporated into this submission.

For ease of review, this letter briefly highlights several issues that are particularly important to our campus. These comments supplement—and do not limit—our adoption of the CSU systemwide comments.

KEY CAMPUS CONCERNS

[Sections 200.205, 200.206, and 200.208] Merit-Based Award Decisions
Our campus supports a federal funding process that is transparent, objective, and based on published evaluation criteria. Scientific merit review has long provided the foundation for awarding competitive research funding. Decisions affecting federally supported research should continue to rely primarily on expert peer review and clearly articulated program priorities that are communicated in advance to applicants.

[Sections 200.211(c)(1)(v) and 200.340–200.343] Suspension and Termination of Awards
Our campus is particularly concerned with the proposed expansion of agency authority to suspend or terminate awards after they have been lawfully issued and performance has begun.
Federal financial assistance supports long-term investments in students, faculty, staff, research participants, community organizations, infrastructure, and regional partnerships. Institutions make substantial commitments in reliance on these awards. Allowing discretionary termination based on changing policy priorities rather than recipient performance would create unnecessary uncertainty, disrupt ongoing work, reduce the return on taxpayer investments, and discourage participation in future federally funded programs.

Administrative Burden
The Proposed Rule would substantially increase administrative responsibilities throughout the lifecycle of a federal award. Additional documentation, reporting, certifications, and compliance requirements would require universities to redirect personnel and financial resources away from research, education, workforce development, and public service activities without providing a corresponding improvement in stewardship of federal funds.

Implementation
Should OMB proceed with the Proposed Rule, any final regulation should apply prospectively and include sufficient implementation time for federal agencies and recipients to update policies, systems, award terms, and training before new compliance obligations become effective. Existing awards should continue to operate under the regulations in effect at the time they were issued unless otherwise required by law.

Conclusion
Fresno State and the CSU urge OMB to withdraw these proposed provisions. If OMB nevertheless decides to move forward, the following recommendations could reduce—but not eliminate—the significant concerns discussed above.

Thank you for the opportunity to provide comments and for your consideration of the important role that colleges and universities play in advancing research, workforce development, innovation, and public service for the benefit of the nation.

Sincerely,

Saúl Jiménez-Sandoval
President

SECTION-BY-SECTION COMMENTS

[200.205, 200.206, 200.208] Merit Review, Award Selection, Recipient Risk, and Specific Conditions

CSU understands OMB's goal of strengthening accountability in discretionary awards. However, the changes proposed in §§ 200.205, 200.206, and 200.208 move away from the mechanisms that currently provide that accountability.

Section 200.205 would require Federal agency heads to designate senior appointees to conduct pre-issuance review of all discretionary awards to ensure consistency with applicable law, agency priorities, and the national interest. The Proposed Rule also provides that peer review recommendations are advisory only. That change does not make the process more accountable. While CSU recognizes that agencies may appropriately consider statutory priorities and programmatic objectives when making funding decisions, those priorities should be clearly articulated in the Notice of Funding Opportunity and incorporated into published review criteria that are applied consistently throughout the evaluation process. Allowing agencies to depart from expert peer review based on considerations that are not reflected in published evaluation criteria after applicants have relied upon those criteria reduces predictability, transparency, and confidence in the integrity of the federal award process. It also diminishes accountability by making it more difficult for applicants and the public to understand how funding decisions are made. This uncertainty is especially important for emerging and teaching-intensive research institutions, where faculty and institutional investments in proposal development depend on a fair, objective, and consistently applied merit review process.

For scientific and technical awards, expert peer review is the primary mechanism agencies use to evaluate the scientific and technical merit, feasibility, rigor, and potential public benefit of proposed research. It provides an objective assessment of whether a project is likely to achieve its stated goals and represent a sound investment of Federal resources. Federal research funding is most likely to advance the public interest when award decisions are based primarily on demonstrated scientific merit and technical excellence through established peer review. Treating peer review as advisory, while introducing an additional layer of discretionary decision-making that is not governed by published evaluation criteria, weakens the connection between funding decisions, demonstrated scientific merit, and the public benefits those awards are intended to deliver.

Section 200.206 raises similar concerns. It expands the factors agencies may use to assess risk, including "questionable practices" based on publicly available information. As written, those terms are not clearly defined. Risk determinations are more effective when they are based on concrete, verifiable information, such as audit findings or documented compliance issues. Vague or open-ended standards make it harder for applicants to understand the requirements and more difficult for agencies to apply them consistently across applicants.

Section 200.208 would give agencies broader authority to add or modify award conditions during the life of an award. While agencies need tools to address documented compliance issues, the proposed language is broad enough to create uncertainty even when recipients remain in compliance. For multi-year research projects, that uncertainty makes planning, staffing, and project execution more difficult.

Taken together, these provisions shift the process away from clear, merit-based criteria and documented decision-making toward more discretionary judgment at multiple stages. That does not strengthen accountability. It makes the process less predictable, less transparent, and harder for applicants to understand. If OMB wants to ensure that awards align with agency priorities and the national interest, those priorities should be stated clearly in the Notice of Funding Opportunity and applied consistently throughout the review process. Any Proposed Rules should not authorize displacement of expert peer review after applicants have relied on published criteria.

If OMB retains the Proposed Rule, the CSU recommends that OMB significantly revise these sections to:

- Preserve Peer Review as the primary basis for evaluating scientific and technical quality.
- Require published, objective criteria for any pre-issuance review processes, including those that occur at the agency level after expert review.
- Remove "questionable practices" as a risk factor and instead rely on verifiable records and material award-related conduct
- Limit specific conditions to documented, material risk. Conditions imposed mid-award should identify the evidence relied upon, be proportional to the risk, and include a defined pathway for removal when the risk is resolved.

[200.303(f)] E-Verify

Section §200.303(f) introduces a new requirement require that all recipients and subrecipients participate in E-Verify for employees and contractors "hired in or performing work in the United States under a Federal award." It would also require recipients and subrecipients to report Final Nonconfirmation information to the federal agency or pass-through entity, and failure to provide notice or take appropriate action may result in termination of the federal award.

OMB should clarify the scope of this requirement before finalizing it. Federally supported research often involves existing employees, students, postdoctoral scholars, clinical personnel, shared technical staff, partially funded employees, cost-shared effort, contractors, consultants, subrecipients, vendors, with some personnel having only incidental involvement in an award. Without clear boundaries, recipients may be uncertain whether the requirement applies only to individuals newly hired to perform federally supported work, or whether it also reaches existing personnel, partial-effort personnel, contractor employees, subrecipient employees, or individuals whose work is only indirectly allocable to many awards.

Beyond the legal ambiguity, the proposed requirement would require universities to coordinate implementation across multiple administrative functions, including Human Resources, Sponsored Programs, Payroll, Procurement, Finance, and institutional compliance offices. Even where institutions already maintain rigorous employment eligibility verification processes, layering award-specific E-Verify obligations onto existing systems would require new policies, staff training, internal controls, and ongoing coordination that provide little additional program integrity benefit while increasing administrative costs.

The Proposed Rule should not require retroactive re-verification of existing personnel unless required by law. Retroactive application would create significant human-resources, payroll, labor-relations, privacy, contractor-management, and subrecipient-monitoring burdens without an award-specific risk trigger.

The proposed requirement would also increase administrative costs by requiring additional personnel time to monitor E-Verify compliance, document reporting obligations, coordinate with multiple campus offices, and support award administration. These costs reduce institutional resources available to support federally sponsored research and increase costs associated with administering Federal awards.

Finally, termination should not be the default consequence for isolated E-Verify reporting or process errors. Such errors should be addressed through notice and a reasonable opportunity to cure, unless the agency documents material, repeated, knowing, or fraudulent noncompliance.

If OMB retains the Proposed Rule, the CSU recommends that OMB revise § 200.303(f) to:

- **Reconsider the scope of the E-Verify requirement.** If OMB retains the requirement, it should apply prospectively only to employees and contractors hired after the effective date of the final rule. Existing personnel should not be subject to retroactive re-verification unless otherwise required by law.
- **Clearly define covered personnel.** The Proposed Rule should define what it means to be "performing work under a Federal award" and exclude individuals whose involvement is incidental, indirect, administrative, or unrelated to the performance of award-funded activities.
- **Allow reasonable reliance by pass-through entities.** Pass-through entities should be permitted to rely on certifications from subrecipients and contractors regarding E-Verify compliance and should not be required to collect, review, or transmit individual-level employment-verification information for personnel they do not employ.
- **Limit reporting and protect privacy.** Any reporting of Final Nonconfirmations should be limited to the minimum information required by law and should include appropriate safeguards to protect employee privacy, confidentiality, and sensitive personnel information.
- **Provide notice and an opportunity to cure.** Recipients should have a reasonable opportunity to correct administrative, technical, or clerical errors before agencies take adverse action based on E-Verify compliance issues.
- **Allow sufficient time for implementation.** The requirement should not take effect until at least 12 months after OMB, DHS, and federal agencies have issued final implementation guidance.

[200.305(c)] Payment Justifications

CSU supports accountability for federal payments but opposes requiring recipients to prepare a separate written justification for every payment request.

Preparing a written justification for every payment request may appear manageable on a single award. Across thousands of awards and subawards it becomes a repetitive administrative requirement—even when the payment is routine, consistent with the approved budget, and fully supported by existing financial records. The proposal would also increase workload for Federal agencies, whose staff would be required to review thousands of additional payment justifications that add little oversight value.

The proposed requirement is also largely duplicative. Information regarding project activities, milestones, and financial progress is already provided through required financial and performance reporting. Requiring an additional written justification for each payment request would duplicate existing reporting requirements without meaningfully improving Federal oversight or stewardship

Further, the Federal government already has an effective oversight framework. Annual Single Audits evaluate recipients' compliance with the Uniform Guidance, assess internal controls, and identify noncompliance, including whether deficiencies reflect isolated errors or broader systemic weaknesses across multiple awards or organizational units. Requiring separate payment justifications for individual transactions would duplicate these established oversight processes, increase administrative burden for recipients and Federal agencies alike, and provide little additional oversight value.

The existing Uniform Guidance framework already provides appropriate accountability through established financial management requirements, performance reporting, and Single Audits without imposing repetitive transaction-level documentation requirements.

If OMB retains the Proposed Rule §200.305(c) the CSU recommends:

Limit the requirement to higher-risk circumstances. Payment justifications should be required only for advance payments or awards presenting documented financial or compliance risk. Routine reimbursement requests for allowable costs supported by recipients' financial management systems should not require separate written justifications.

Establish a single government-wide standard. If payment justifications are required, OMB should prescribe a uniform government-wide format and minimum documentation requirements rather than allowing individual Federal agencies to develop separate processes that increase administrative burden and compliance costs.

Avoid duplicative reporting. OMB should not require payment justifications for information already provided through existing financial and performance reporting requirements or otherwise maintained in recipients' financial management systems.

[200.211(c)(1)(v)] & [200.340-200.343] Termination and suspension

As of January 2026, CSU administers more than $1 billion annually in research and externally sponsored programs. These awards support research, workforce development, student financial assistance, public service, infrastructure, and other federally authorized activities that advance innovation, strengthen communities, and contribute to the nation's economic competitiveness.

The changes in Sections 200.211(c)(1)(v) and 200.340-200.343 would expand agency authority to permit discretionary termination of ongoing awards, including where an agency determines after the award has been lawfully issued and performance has begun, that the award no longer aligns with current priorities, program goals, or generalized assessments of national interest. This authority is inappropriate and should not be adopted.

The proposed revisions also do not advance OMB's stated objectives of improving transparency, accountability, and stewardship of Federal financial assistance. Accountability is best achieved through clear award terms, objective compliance standards, and consistent enforcement—not through broad discretionary authority to terminate lawfully issued awards based on evolving policy judgments unrelated to recipient performance. Expanding post-award termination authority would reduce predictability, increase administrative burden, discourage participation by recipients and community partners, and diminish the efficient use of Federal resources.

Federal grants and cooperative agreements establish long-term, reliance-based partnerships between the Federal government and recipients to carry out authorized public purposes. Unlike ordinary procurement contracts, these awards support sustained investments in research, education, workforce development, public service, and community partnerships that cannot be readily interrupted once performance has begun. Once an award is accepted and performance begins, recipients, subrecipients, students, employees, research participants, community organizations, and other partners make substantial commitments in reliance on the federal government's funding decision.

Federal financial assistance supports long-term investments that cannot be paused or reversed without significant consequences. Institutions recruit and retain faculty and staff; students, postdoctoral scholars, and trainees accept funded positions; community organizations and subrecipients hire personnel and begin delivering services; clinical trials and longitudinal research enroll participants; specialized equipment is purchased and installed; data collection and infrastructure projects proceed on fixed timelines; and contractual commitments are made with suppliers and collaborating institutions. These activities are undertaken in reasonable reliance on the federal government's award and cannot be unwound without substantial financial, operational, and public costs.

Expanding agency authority to terminate awards after lawful issuance based on evolving priorities, program goals, or generalized national interest determinations would undermine, rather than protect, the federal investment. Such terminations would strand taxpayer-funded investments already made, interrupt research and public service activities, delay workforce development, disrupt services to communities, increase administrative costs for both recipients and Federal agencies, and reduce the return on federal financial assistance. They would also create uncertainty for institutions and partners considering participation in future federally funded programs, particularly smaller institutions, community-based organizations, tribal organizations, school districts, and other entities with more limited administrative capacity.

A predictable and durable federal assistance framework benefits both recipients and Federal agencies. Policy priorities appropriately inform future funding opportunities and award decisions, but once an award has been lawfully issued, continued performance should depend on recipient compliance with applicable law and award requirements—not subsequent policy changes unrelated to performance. Allowing discretionary termination without recipient fault would weaken confidence in the stability of Federal financial assistance, discourage long-term planning and investment, and ultimately reduce the effectiveness of federally funded programs.

CSU, therefore, urges OMB to withdraw the proposed revisions to Sections 200.211(c)(1)(v) and 200.340-200.343. If OMB elects to retain any portion of these provisions, which we strongly urge against, it should, at a minimum:

- Limit termination authority to objective, cause-based grounds, including fraud, material noncompliance, unlawful use of funds, documented security risk, failure to meet award requirements, lack of statutory authority, loss of legally required funding, mutual agreement, or specific conditions identified in the award at issuance;
- Remove discretionary “termination for convenience” authority, including termination based on changed priorities, program goals, or generalized “national interest” determinations unrelated to recipient performance or compliance;
- Require suspensions to be based on documented evidence of material risk or noncompliance and prohibit indefinite suspensions without periodic review and written findings;

- Require suspensions to be based on documented evidence of material risk or noncompliance and prohibit indefinite suspensions without periodic review and written findings;
- Require agencies to consider documented reliance interests—including commitments to personnel, students, research participants, subrecipients, community partners, and contractual obligations—before terminating an award absent recipient fault.
- Apply policy changes prospectively only, so that new priorities govern future funding opportunities and awards—not ongoing work—absent documented risk or noncompliance;
- Require written, reasoned determinations for any suspension or termination, including the legal authority, factual basis, and specific award terms at issue;
- Provide advance notice and a meaningful opportunity to respond, except in documented emergencies;
- Establish a clear process for reconsideration or appeal before a neutral official, with defined timelines;
- Allow payment of reasonable wind-down costs incurred in reliance on the award and necessary for orderly closeout, including costs related to personnel, subawards, clinical trials, data preservation, and contractual obligations;
- Limit temporary suspensions to narrow, time-bound actions, supported by written justification and a defined path to resolution; and
- Ensure that terminations without recipient fault do not adversely affect future eligibility or reputation.

[VII. Discussion of Proposed Revisions to Subtitle B of 2 CFR by Federal Agencies] and [200.110] Effective date

OMB proposes an effective date of October 1, 2026. For a rule of this scope, that timeline is not workable.

The Proposed Rule would require coordinated changes across every aspect of federal grant administration, including merit review, foreign collaboration controls, cost accounting, payment systems, procurement, subrecipient oversight, and compliance infrastructure. These changes will necessitate revisions to agency guidance, notices of funding opportunity, award terms, financial and reporting systems, and institutional policies, as well as extensive training across federally funded entities.

OMB has historically provided substantially longer implementation periods for comparable regulatory changes. The 2013 Uniform Guidance, for example, allowed approximately one year between issuance and effective implementation, with additional time for audit-related requirements. Similarly, the 2020 Uniform Guidance revisions provided a delayed effective date for some of the key changes. By contrast, this proposed rule contemplates broader and more complex changes on a materially compressed timeline.

In addition, a rushed implementation would not advance OMB's stated goals of transparency, accountability, or regulatory clarity. Instead, it would likely result in inconsistent agency interpretations, conflicting award terms, incomplete system changes, avoidable audit findings, and compliance disputes arising from implementation challenges rather than actual misuse of federal funds. The resulting confusion would burden agencies and recipients alike while producing little benefit to taxpayers.

The final rule should therefore apply prospectively and only after agencies have issued the guidance, award terms, and system updates necessary for implementation. New requirements should not be imposed on active awards, approved budgets, existing subawards, approved foreign components, ongoing clinical studies, pending proposals, or other activities undertaken in reliance on existing rules absent a statutory requirement or documented, award-specific risk.

If OMB retains the proposed revisions to § 200.110, CSU recommends that OMB:

- Apply any final rule prospectively and not retroactively to existing awards, approved budgets, subawards, contracts, foreign components, publication commitments, or ongoing research activities.
- Require agencies to issue implementation guidance, revised notices of funding opportunity, updated award terms, and system specifications before the rule becomes effective.
- Provide a minimum implementation period of 12 months after issuance of final agency guidance before compliance obligations become enforceable.
- Delay enforcement of any requirement dependent on new federal information systems until those systems are operational, tested, and available for recipient use.
- Require agencies to clearly identify which provisions apply to new awards, continuation awards, renewals, amendments, and existing awards.

[200.329-200.332] Subrecipient Monitoring and Management

The proposed revisions expand subaward reporting requirements, including mandatory reporting timelines and system-based reporting obligations such as reporting through SAM.gov. CSU supports transparent reporting but emphasizes that expanded requirements must be clear and operationally feasible for both recipients and subrecipients.

The proposed revisions would also increase the administrative responsibilities of pass-through entities by requiring additional monitoring, documentation, certifications, and coordination with subrecipients. These requirements would be particularly challenging for smaller institutions, community-based organizations, school districts, tribal organizations, and other partners with limited administrative capacity, which could discourage participation in federally funded projects.

Subaward reporting errors, standing alone, should not automatically trigger termination of the parent award. New subaward reporting, certification, prior-approval, or termination-related requirements would increase administrative burden for CSU and its network of subrecipients, many of which have more limited administrative capacity.

Over time, treating correctable reporting errors as potential grounds for severe award consequences would make pass-through entities more reluctant to work with smaller, newer, or community-based partners, including tribal organizations, school districts, community colleges, and nonprofit organizations. That would not improve accountability; it would narrow the network of partners able to participate in federally funded work.

In addition, § 200.331(h) requires that recipients make subrecipient or contractor determinations under § 200.331 for all downstream entities receiving payment from the pass-through entity. However, entity issuing a subaward or contract should be responsible for making its own determination under § 200.331. It would not be feasible or appropriate for the prime recipient to make these determinations of a downstream entity. For example, if one higher education institution makes a subaward determination for a collaboration with another higher education institution, the second institution should be responsible for making its own downstream determinations.

If OMB retains the proposed revisions to § 200.329–200.332, CSU recommends that OMB:

- Require that termination for subaward reporting failures be based on material, repeated, or knowing noncompliance;
- Add notice-and-cure periods for subaward reporting errors;
- Define and narrow the proposed "significant reputational harm" standard;
- Clarify that reputational harm alone is not a sufficient basis for termination absent unlawful conduct, fraud, security risk, or material failure to perform;
- Allow downstream entities to make their own § 200.331 subrecipient or contractor determinations; Allow pass-through entities to rely on reasonable documentation from subrecipients; and
- Provide phased implementation following issuance of final implementation guidance.

[200.421, 200.432, 200.454, 200.461] Changes to Allowable Costs

The proposed revisions to Sections 200.421 (Advertising and Public Relations), 200.432 (Conference Costs), 200.454 (Memberships, Subscriptions, and Professional Activity Costs), and 200.461 (Publication and Printing Costs) represent a significant departure from longstanding federal cost principles. As proposed:

- Conference attendance costs (Section 200.432) would require prior agency approval rather than generally being allowable when allocable to a Federal award.
- Memberships (Section 200.454(a)) would become allowable only when necessary and approved in advance, while journal and periodical subscriptions (Section 200.454(b)) would become categorically unallowable.
- Publication costs (Section 200.461), including page charges, article processing charges, and open-access fees, would become unallowable except where required by statute or approved in advance by the awarding agency.
- Related revisions to advertising and public relations (Section 200.421) would further narrow the allowability of outreach and dissemination activities.

Taken together, these changes would substantially limit support for activities that are fundamental to conducting and disseminating federally funded research. Research achieves public benefit only when discoveries are shared, evaluated, replicated, and applied. Scientific conferences, scholarly publications, professional societies, research libraries, journal subscriptions, and related activities are integral components of the research enterprise—not optional or ancillary activities.
Under the current Uniform Guidance, these costs are generally allowable when they are reasonable, allocable, and necessary to the performance of a Federal award. The Proposed Rule would replace that longstanding framework with broad cost prohibitions and new prior approval requirements that increase administrative burden without demonstrating corresponding improvements in accountability.

These changes also raise concerns when considered alongside Congress's direction on indirect cost recovery. The Consolidated Appropriations Act, 2026, requires certain agencies to maintain negotiated indirect cost rates at FY 2024 levels and prohibits new indirect cost rate restrictions using FY 2026 appropriations. Although OMB states that it is not revising the negotiated indirect cost rate process, these proposed cost disallowances would produce a similar practical result by shifting previously allowable research costs from the Federal government to recipient institutions. For CSU, those costs would not disappear—they would instead reduce institutional resources available to support research infrastructure, student researchers, and other mission-driven activities.

The proposed prohibition on journal and periodical subscriptions is particularly concerning. Appendix III to Part 200 expressly recognizes library expenses as an allowable component of Facilities and Administrative costs, including books and library materials. Scholarly journals and scientific literature are fundamental research infrastructure. Researchers cannot conduct high-quality federally funded research without access to current scientific knowledge.

If OMB retains the proposed revisions to §§ 200.421, 200.432, 200.454, and 200.461, CSU recommends that OMB:

- Continue to recognize conference attendance, professional memberships, scholarly publications, journal subscriptions, and research dissemination activities as generally allowable costs when they are reasonable, allocable, and necessary to the performance of a Federal award;
- Withdraw the proposed prohibition on journal and periodical subscriptions in § 200.454(b), consistent with the existing Uniform Guidance treatment of library expenses and research infrastructure;
- Limit prior approval requirements to exceptional circumstances and establish consistent approval standards across Federal agencies;
- Evaluate the cumulative effect of these proposed cost limitations on negotiated indirect cost recovery and ensure the final rule does not effectively shift federally supported research costs to recipient institutions; and
- Provide implementation guidance and sufficient transition time before any changes to allowable cost treatment become effective.

[200.461] Publication and Open Access

CSU strongly opposes the proposed revision to Section 200.461. The Proposed Rule would make publication costs—including page charges, article processing charges, and open-access publication fees—unallowable except where required by statute or approved in advance by the awarding agency.

For decades, Federal agencies have encouraged broad public dissemination of federally funded research. More recently, Federal public access policies have expanded those expectations by requiring research findings to be made publicly available. At the same time, the scholarly publishing marketplace has evolved to support those policies through publication-fee and open-access business models. The Proposed Rule creates a direct policy conflict by encouraging public dissemination while restricting the primary costs required to achieve it.
The proposal would disproportionately affect researchers with fewer institutional resources, reduce public access to federally funded discoveries, and diminish the visibility and impact of research supported by taxpayer investments. Combined with the proposed prohibition on journal subscriptions, the revisions would significantly impair both access to and dissemination of scientific knowledge.

These changes also appear inconsistent with the national policy reflected in 42 U.S.C. Chapter 79, which promotes scientific leadership by encouraging the broad dissemination and application of federally supported research.

If OMB retains the proposed revision to § 200.461, CSU recommends that OMB:

- Continue to recognize publication costs, including page charges, article processing charges, and open-access publication fees, as generally allowable costs when they are reasonable, allocable, and necessary to disseminate federally funded research;
- Align the final rule with existing Federal public access policies so that recipients are not required to disseminate research results while being prohibited from charging the costs necessary to do so;
- Avoid creating routine prior approval requirements that substantially increase administrative burden for Federal agencies and recipients without improving stewardship of Federal funds; and
- Address concerns regarding publication pricing through separate policy initiatives directed at the scholarly publishing marketplace rather than through broad cost disallowances applicable to research recipients.

[200.201(b), 200.333] Fixed Amount Awards

The Proposed Rule would eliminate fixed amount awards and fixed amount subawards. CSU opposes that change.

Fixed amount awards are an established funding mechanism that allows agencies and recipients to focus on achieving defined project outcomes rather than documenting every individual expenditure. When milestones, deliverables, and performance expectations are clearly established, these awards promote accountability while reducing unnecessary administrative burden.

Eliminating fixed amount awards would not improve stewardship of Federal funds. Instead, it would require more projects to be administered under cost-reimbursement models that demand additional financial documentation, transaction-level review, and administrative oversight regardless of project risk or complexity. The result would be increased compliance costs for both Federal agencies and recipients without a corresponding improvement in program integrity or performance.

Fixed amount awards have long been available under the Uniform Guidance because they provide an appropriate level of accountability for projects with well-defined scopes of work. The Proposed Rule does not identify evidence that these awards have resulted in widespread waste, fraud, abuse, or misuse of Federal funds. In the absence of such evidence, eliminating this award mechanism would replace a results-oriented approach with a more administratively burdensome process.

If OMB retains the proposed revisions to §§ 200.201(b) and 200.333, CSU recommends that OMB:

- Preserve agency authority to use fixed amount awards and fixed amount subawards for projects with clearly defined deliverables and measurable outcomes;
- Permit Federal agencies to determine when fixed amount awards are appropriate based on project risk, complexity, and administrative efficiency rather than prohibiting their use categorically;
- Clarify how existing fixed amount awards and subawards will be administered following implementation of any final rule;
- Provide implementation guidance describing acceptable alternatives where fixed amount awards have historically been used; and

- Phase implementation to allow Federal agencies and recipients sufficient time to modify award administration processes, financial systems, and institutional procedures.