University of Colorado Colorado Springs

July 13, 2026

The Honorable Russell T. Vought
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: OMB 2026-0034

Dear Director Vought,

The University of Colorado Colorado Springs (UCCS) appreciates the opportunity to comment on OMB 2026-0034, Office of Management and Budget's (OMB) proposed rule *Regulation for Federal Financial Assistance*, seeking to codify the current Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") in Title 2, Code of Federal Regulations (CFR) as a new regulation ("Uniform Grants Regulation" or "UGR"). While we support OMB's goal of improving stewardship and accountability of federal funds, we are concerned that several proposed provisions would unintentionally increase administrative burden, reduce research competitiveness, and disproportionately affect emerging research institutions.

The University of Colorado Colorado Springs (UCCS) is a leading public research university in Southern Colorado, dedicated to fueling innovation, advancing knowledge, and serving all the communities of Colorado. Nestled at the foot of Pikes Peak, UCCS combines academic excellence with a spirit of exploration, offering a wide variety of undergraduate, graduate, and doctoral programs across six colleges. With a strong emphasis on hands-on learning, research, and community engagement, UCCS empowers students to turn ideas into impact. As part of the state's largest university system, UCCS drives economic and workforce development in the Pikes Peak region and beyond.

As a Carnegie R2 institution, UCCS receives federal research funding administered through the UCCS Office of Sponsored Programs (OSP). OSP manages all grant proposals, awards and subawards including all sponsored project agreements with public agencies and private entities. Together with Sponsored Projects Accounting, OSP is responsible for administering all grant awards and sponsored projects, including contract monitoring. This requires continuous coordination with campus research faculty, department staff, the Office of Research, the Office of Research Integrity, and Sponsored Projects Accounting to ensure compliance with all grant and sponsored award terms.

In FY25, the UCCS OSP helped faculty and eligible staff prepare and submit approximately 155 grant proposals, resulting in 48 new awards totaling $12.5 million in new funding. By comparison, in FY24 OSP submitted 166 proposals, resulting in 57 new awards totaling $18.9 million in sponsored funding—the highest annual sponsored award total in campus history. These federally supported projects expand opportunities for discovery, student engagement, and community impact while strengthening Colorado's research and innovation ecosystem.

Maintaining a transparent and merit-based federal funding process is essential to sustaining these benefits, enabling institutions like UCCS to pursue high-quality research, prepare tomorrow's workforce, and translate new knowledge into real-world solutions.

UCCS appreciates OMB's goal to modernize the Uniform Guidance and to reduce administrative burden, while maintaining strong stewardship of federal funds. We are concerned, however, that some of the proposed provisions may have the unintended effect of increasing administrative burden and reducing research capacity, particularly for R2 institutions. Our main concerns pertain to (1) the elimination of "fixed amount" awards and subawards, (2) proposed changes to the grant review process and procedures, and (3) changes to allowable grant expenses.

[200.201(b)] [200.333] ***Elimination of Fixed Amount Awards and Subawards***

Eliminating the use of "fixed amount" awards and subawards in the proposed regulation (200.201) except when specifically authorized by federal statute would significantly impact UCCS's ability to collaborate. The proposed change would, (1) limit UCCS's ability to collaborate on research proposals through partnerships with other institutions and private entities who provide highly specialized research support at a known cost; and (2) would require UCCS to significantly increase its subrecipient monitoring without additional funding, thus adding more administrative burden without meaningfully increasing transparency of the subrecipient's project work or its subaward expenses. Fixed amount subawards are particularly valuable when collaborating with specialized consultants, clinical partners, and institutions performing narrowly defined scopes of work with predictable deliverables.

The elimination of "fixed amount" subawards could significantly reduce our competitiveness in grant proposals while simultaneously increasing administrative burden. Compliance would require additional administrative effort, reducing the time available for scientific research, contrary to the OMB's stated objective of "reducing recipient burden" for grant recipients. We respectfully request that OMB retain the current "fixed amount award" provisions in §200.201(b) and 200.333.

[200.202] [200.205] ***Merit Review and General Grant Proposal Procedures***

UCCS supports a grant review process that is transparent, merit-based, and informed by subject matter expertise. While we recognize that each administration establishes policy priorities, we are concerned that several proposal changes could reduce the role of objective scientific review.

Currently, "The objective of a merit review process is to select recipients most likely to be successful in delivering results based on the program objectives" as outlined in § 200.202.

Under the proposed rule, § 200.202(a)(1) specifies that federal agencies are to design programs "with clear goals and objectives that … (iii) Align with administration policies and priorities."

§ 200.205(b) (Pre-issuance review) would require the federal agency to "designate one or more senior appointees" who "must … apply the following principles" as part of the pre-issuance review:

- “Discretionary awards must, where applicable, demonstrably advance the President's policy priorities” (200.205(b)(1))
- “Discretionary awards must not be used to fund, promote, encourage, subsidize, or facilitate: … Any other initiatives that compromise public safety or promote anti-American values” (200.205(b)(2)(iv)).

We are also concerned with the review criteria under § 200.205(b)(3):

- “All else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates.”

UCCS is concerned that these provisions could diminish the role of independent scientific merit review by introducing additional factors unrelated to technical quality or research feasibility.

These changes would unfortunately create unequal footing for institutions, by giving preference to those with a lower indirect cost and place institutions like UCCS in the difficult position to choose between using our negotiated indirect rate versus a lower rate in proposal submissions to increase our chances of receiving the awards. Negotiated indirect cost rates are not arbitrary institutional preferences but federally negotiated rates that reflect actual allowable research infrastructure costs. Agreeing to a lower indirect cost rate would not be sustainable for our institution’s research administration.

The above criterion also appears inconsistent with other provisions of the UGR (see § 200.414):

- “Negotiated indirect cost rates **must be accepted** by all federal agencies. A federal agency may use a rate different from the negotiated rate for either a class of federal awards or a single Federal award only when required by federal statute or regulation, or when approved by the awarding Federal agency in accordance with paragraph (c)(3) of this section (requiring the awarding agency to justify any deviation from the negotiated rate).”

Asking smaller research institutions to consider lowering their indirect rates is essentially equivalent to asking them to agree to a cost share (through the use of a lower indirect rate) as an award condition. Per the current version of § 200.306(a) (proposed 200.306(j)), voluntary cost share is “not expected under federal research grants.”

For UCCS human subjects research, indirect cost recovery is critical to funding compliance with mandatory federal data security and safety requirements. A smaller institution choosing to receive less indirect revenue (which in turn helps fund regulatory compliance) under a grant application poses a long-term risk of that institution being unable to provide adequate data or other research security for the purposes of meeting stringent federal requirements and thus being deemed ineligible for such grant funding.

UCCS indirect cost revenues are not excess funds that can be used elsewhere; these funds help cover basic expense requirements for conducting and administering research projects and thus are important for funding a portion of the facilities and administration (F&A) expenses that are essential to UCCS research efforts.

Beyond its impact on research administration, these proposed changes would also affect the regional economy. UCCS research and institutional activities are a significant economic driver in Colorado Springs and the Pikes Peak region. In FY24, UCCS' total economic impact for the Colorado Springs Metropolitan Statistical Area (MSA) was estimated at $600 million. Federal research funding supports high-quality jobs, student training opportunities, industry partnerships, innovation, and technology commercialization that collectively contribute to this regional economic impact. Impairing UCCS research efforts would have negative economic impacts in the Colorado Springs MSA.

Under the above circumstances, giving preference to proposals with lower indirect rates not only places R2 institutions like UCCS at a significant competitive disadvantage but would likely also cause significant, adverse economic impacts.

Regarding proposed § 200.205(d), UCCS has concerns with the qualifications placed on "peer review" in this paragraph. A "peer review" is commonly understood to mean a critical, objective, and technical review by those with subject matter expertise and/or practical, educational and/or research credentials and experience; it is recognized as the gold standard for properly assessing any research proposal on its merits. While UCCS appreciates such review is always considered advisory, it is possible that proposals recommended for funding based on peer review could ultimately go unfunded, based on the proposed § 200.205(b)(1) and 205(b)(2)(iv) review criteria the appointee must use. For the reasons noted above, this raises significant concerns. We respectfully request that OMB retain the existing merit review framework and preserve peer review as the primary basis for evaluating research proposals.

In sum, these proposed rule changes would make R2 institutions less competitive in proposal submissions when compared to larger research institutions, simultaneously reduce indirect costs payments for research administration, and have adverse economic impacts on our region.

[200.305] ***Federal Payments***

UCCS is deeply committed to oversight and regulatory compliance, and our Sponsored Projects Accounting office specializes in ensuring adherence to sponsor requirements while mitigating institutional risk. However, as a small team, the added requirement to produce extensive transactional documentation, particularly in a cost-reimbursable funding model where reimbursement is based on incurred allowable costs, creates a significant administrative burden. These heightened documentation expectations are more appropriately aligned with advance payment models, and consideration should be given to distinguishing requirements between advance and reimbursement mechanisms to ensure both compliance and operational efficiency.

[200.432] [200.454] [200.461] ***Allowable and Unallowable Expenses for Grants- memberships, subscriptions, and professional activity costs***

Participating in professional conferences is an important way for UCCS research faculty and staff to build and strengthen collaborations with other research institutions and the broader research community, present and learn about new discoveries and technologies, and directly advance the objectives of federally sponsored research projects through the dissemination of research findings, professional collaboration, and scientific exchange. Conference participation also provides graduate and undergraduate researchers with critical professional development opportunities and exposure to national research networks. The proposed changes to § 200.432 would create a requirement for institutions to receive prior agency approval under an award before attending conferences. This added justification, delay in registration, and potential denials could create hardship for our faculty, staff, and student researchers. We recommend establishing a reasonable cap on allowable conference travel and attendance costs in lieu of requiring prior approval. Such an approach would particularly benefit early-stage investigators and researchers at emerging research institutions, including UCCS, by preserving opportunities to present federally funded research, build collaborations, and contribute to the broader scientific enterprise while limiting administrative burden.

Additionally, proposed changes to § 200.454(b) to eliminate the allowability of academic journal subscriptions would directly impair the ability of researchers to conduct federally funded research. Likewise, the campus library relies on grant awards' indirect costs to maintain subscriptions which directly support research.

UCCS also has concerns with proposed changes to § 200.461. Except in cases involving confidential, sensitive, or proprietary information, UCCS routinely publishes research findings to advance scientific knowledge, including through open-access media when appropriate. Dissemination of federally funded research findings through peer-reviewed publications represents the culmination of the research process and advances the public benefit generated through federal investment. We respectfully request that OMB maintain the current treatment of academic subscriptions, and publication costs as allowable costs so that researchers can continue contributing to federally supported scientific advancement.

UCCS remains committed to serving as a valuable research partner and responsible steward of federal awards as we seek to educate the next generation of Coloradans. UCCS appreciates OMB's willingness to solicit stakeholder feedback on these important proposed changes. We respectfully request careful consideration of the recommendations outlined above to ensure that the final regulation supports responsible stewardship of federal funds while preserving the flexibility and research capacity for institutions of all sizes to advance scientific discovery, educate students, and serve their communities. Thank you for the opportunity to submit these comments for your consideration.

Summary of Recommendations

UCCS respectfully requests that OMB:

- Retain fixed amount awards and subawards.
- Preserve scientific merit review as the principal basis for discretionary research funding.
- Eliminate preferences based on negotiated indirect cost rates.
- Maintain current payment documentation requirements for cost-reimbursement awards.
- Continue allowing conference participation, academic subscriptions, and publication costs as allowable expenses under federal awards.

Sincerely,

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