PEER
PUBLIC EMPLOYEES FOR ENVIRONMENTAL RESPONSIBILITY
962 Wayne Ave • Suite 610 • Silver Spring, MD 20910

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Office of Management and Budget
MBX.OMB.Grants@OMB.eop.gov

Re: Comments on Proposed Rule — Docket OMB-2026-0034, Regulation for Federal Financial Assistance

Public Employees for Environmental Responsibility (PEER) strongly opposes The Office of Management and Budget proposed regulation to revise the Uniform Guidance governing federal financial assistance (Docket OMB-2026-0034).

The scale of what is proposed is staggering. The federal government distributes more than $1.2 trillion in grants and cooperative agreements annually. This regulation would require all discretionary federal awards to "demonstrably advance the President's policy priorities" and sets forth a series of structural changes that would fundamentally transform federal grantmaking from a merit-based system into a political one.

This rule would destroy the credibility and independence of American science, institutionalize corruption in the grantmaking process, and threaten the constitutional separation of powers. For these reasons, we urge OMB to withdraw it.

We would be remiss not to place this proposal in its full context. This rule is part of a concerted effort by this administration to return the United States to a spoils system of government by concentrating power over public funds in the hands of the president and his political appointees. It arrives as the administration systematically dismantles the inspectors general, whistleblower protections, and civil service safeguards that exist specifically to detect and deter the corruption, self-dealing, and self-enrichment that unchecked political control of public money has historically produced.

This Regulation Will Destroy the Credibility and Independence of American Science

Since the end of World War II, the United States has developed a federal science funding system built around a core principle that while Congress and the executive branch set broad programmatic priorities and funding levels, individual award decisions should be made by independent scientific experts evaluating proposals on their technical and scientific merit.

While this system has been imperfect in practice, it has been the source of American science's global leadership and credibility. This rule would destroy this credibility by making political alignment with current administration priorities the governing criterion not just for setting program directions but for approving, rejecting or continuing individual awards.

Specifically, this rule would:

- Require senior political appointees to review most awards before they are issued (200.205).
- Deemphasize the role of peer review by skilled experts with domain expertise in the proposed area in determining what work to fund (200.205).
- Allow political appointees wide latitude to terminate grants at will (200.340).
- Ban many foreign collaborations (200.205).
- Reject grants that "undermine public safety or national security, " a phrase that is undefined anywhere in the rule (200.206).
- Allow agencies to bypass public notice requirements for funding opportunities under broad national interest exemptions (200.204).

Under this rule, research into politically charged issues such as climate change, vaccine safety and efficacy, chemical toxicity, and emerging infectious diseases would face an ideological filter prior to funding approval -- a political appointee could simply decline to approve or cancel a grants in these areas because the research conflicts with administration policies or political viewpoints.

By explicitly demoting peer review to an advisory role, the rule creates a system in which scientific funding survival depends on studying politically questions and then presumably drawing politically acceptable conclusions. This is not a reform of grants management -- it is, as former NIH program officer Elizabeth Ginexi has written, "a complete political control apparatus layered over every stage of the federal science funding lifecycle."

The rule's additional provisions compound this damage. It would ban many foreign scientific collaborations, cutting American researchers off from the global scientific community. It would restrict the ability of scientists to travel to conferences, further isolating American science. It would give political appointees wide latitude to cancel ongoing research grants for projects already undertaken with no appeal rights. These are not good governance reforms -- they are the specific mechanisms by which politically inconvenient research is suppressed and the careers of scientists who pursue it are made untenable.

The Proposed Rule Would Lead to Systemic Corruption

This rule would institutionalize corruption and cronyism in the distribution of over a trillion dollars in annual federal funds through at least two structural mechanisms.

The first is the requirement (200.205) that senior political appointees conduct "pre-issuance reviews" of all discretionary grant awards and certify that each award "demonstrably advances the President's policy priorities." The proposed rule explicitly forbids (200.205) those appointees from "deferring to peer reviewers or routinely ratifying their recommendations." This language makes clear that the rule's purpose is not to add accountability over expert review but to replace expert judgment with political judgment entirely. Researchers would learn quickly to propose only work likely to survive ideological screening, while federal program officers, many of whom are being stripped of civil service protections, would face pressure to recommend or approve grants to preserve their jobs. This would corrupt scientific judgment at every level of the process.

The second mechanism (200.204) is a sweeping exemption allowing agency heads to bypass public posting on Grants.gov whenever disclosure is deemed contrary to the "national interest." This undefined term has no limiting principle. Rather, it permits agencies to offer grants by invitation only among preferred recipients with no requirement to explain or justify the determination. Public posting exists precisely to ensure open competition and taxpayer transparency. This exemption eliminates both.

These corruption risks are not theoretical. The administration has already demonstrated a documented pattern of directing public resources toward political allies and personal financial interests. For example, Peter Navarro intervened to secure a $620 million Pentagon loan for a startup days after Donald Trump Jr.'s venture capital firm invested in it.[i] DHS awarded a contract to a firm led by former Trump campaign officials after reportedly requiring partisan loyalty in the bidding process. No-bid contracts have been routinely awarded to firms tied to the president's supporters.

The most striking illustration is Elon Musk's tenure at DOGE. While holding over $19 billion in active federal contracts,[ii] Musk oversaw the cancellation of contracts for countless vendors while none of his own companies lost a dollar of federal business.[iii] GSA adopted his Starlink satellite service at DOGE's request.[iv] Multiple federal enforcement actions against Musk's companies were dropped.[v] Four inspectors general investigating his companies were fired. This is precisely the pattern this rule would normalize and place beyond meaningful challenge.

The Proposed Rule Threatens Democratic Governance and Separation of Powers

The Constitution assigns the power of the purse to Congress, not the executive branch. When the executive conditions, redirects, or withholds congressionally appropriated funds based on political criteria it effectively rewrites legislation without a vote. Federal courts have repeatedly found exactly this conduct to be unconstitutional when the administration attempted it through executive orders and unilateral grant cancellations.

Grant money has historically been distributed through programs authorized by Congress using statutory, regulatory, formula-based, or competitive criteria rather than direct tests of political loyalty. Placing the entirety of this system under the unreviewable discretion of political appointees is not an administrative reform; it is a structural transformation of how governmental power is distributed in the United States.

This Proposal Can Not Be Viewed In Isolation

The proposed rule arrives in a context in which the independent oversight mechanisms designed to detect and deter corruption and financial mismanagement in the executive branch have been systematically weakened or destroyed by this administration.

For example, since January 2025, the administration has fired or forced out at least 21 inspectors general, leaving over 75% of presidentially appointed IG positions vacant, while simultaneously proposing to cut IG funding by 23% over the next five years — precisely the period during which robust independent oversight of $1.2 trillion in newly politicized grantmaking would be most essential. The Merit Systems Protection Board has been subordinated to executive control through the removal without cause of its Democratic member. The Office of Special Counsel referred fewer than 1.1% of whistleblower disclosures for investigation in fiscal year 2025 and has cut its own referral targets by two-thirds. A proposed government-wide Non Disclosure Agreement for all federal employees, combined with at-will firing authority over 8,000 senior career positions under Schedule Policy/Career, would silence the very civil servants most likely to witness and report improper grant decisions.

These are not independent developments. They are part of a single coherent system to concentrate political control over who receives public money; eliminate the career civil servants who might resist improper decisions; silence those who might report wrongdoing; defund the inspectors general who would investigate it; and weaken and eliminate legal remedies to protect whistleblowers.

Taken together, these changes do not produce a government that is less wasteful and less ideological in grant making -- they produce a government accountable to no one except the president and those who support his political interests.

The Urgency of the Moment

The urgency of what is at stake cannot be overstated. Climate change, biodiversity loss, toxic chemicals in our environment, and emerging infectious diseases are present, accelerating dangers to the health and economic wellbeing of the United States and the planet. Maintaining American scientific leadership in these fields is a national security and public health imperative that requires sustained, long-term federal investment that peer-reviewed, merit-based grantmaking was specifically designed to provide.

A major research program defunded cannot be restarted when the political winds shift. By subordinating these research programs to shifting political priorities, this rule would slow American science and leadership in these critical fields; it would also let ideology override evidence, at precisely the moment when the evidence has never been more urgently needed.

For these reasons, we urge the Office of Management and Budget to withdraw this proposal.

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[i] ProPublica, The White House Intervened to get a $620 Million Deal for a Company Tied to Donald Trump Jr." Robert Faturechi, May 28, 2026, https://www.propublica.org/article/donald-trump-jr-vulcan-deal-white-house
[ii] Fed-Spend, "Every Federal Contract Awarded to Elon Musk Companies: SpaceX, Starlink, Tesla, and The Boring Company," February 24, 2026, https://fed-spend.com/blog/elon-musk-federal-contracts-spacex-starlink-boring-company

[iii] Senate Permanent Subcommittee on Investigations Minority Staff Memorandum, April 27, 2025, https://www.hsgac.senate.gov/wp-content/uploads/2025-04-27-Minority-Staff-Memorandum-Elon-Musk-Conflicts.pdf.
[iv] House Oversight Committee's "100 Days of Corruption," April 30, 2025, https://oversightdemocrats.house.gov/news/press-releases/100-days-corruption-oversight-democrats-highlight-100-conflicts-interest
[v] Jeff Rumage, Inside Elon Musk's Government Contracts, Builtin, Jan 15, 2026, https://builtin.com/articles/elon-musk-government-contracts