

# Trump executive order seeks to centralize control of grantmaking under political appointees

President aims to fundamentally rewrite rules for awarding billions in research funding

President Trump's issued an executive order Thursday night that seeks to transform how the federal government awards billions of dollars in research grants. *Mark Schiefelbein/AP*

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A sweeping new executive order seeks to transform how the federal government awards billions of dollars in research grants by giving President Trump's political appointees unprecedented power over the projects agencies fund.

The order issued Thursday night, titled "Improving Oversight Of Federal Grantmaking," aims to fundamentally rewrite the rules that for decades have guided grant decisions. Instead of experts and career civil servants setting funding decisions and priorities, the order places that authority with presidential appointees who, in coordination with the White House, are directed to use their "independent judgment" and "advance the President's policy priorities."

The executive power grab, which experts expect to be challenged in court, is likely to have massive and immediate impacts on the daily operations of American science.

The text of the order states that any announcement of funding opportunities now needs to be reviewed by a senior appointee or someone they designate. It also instructs agencies to create a formal path for canceling previously awarded grants at any time, and adds layers of political control to the process of distributing federal funds. Taken together, it promises to greatly diminish the importance of peer review

by scientific experts, shrink the influence of traditional academic research powerhouses, and erect new bureaucratic barriers around federally supported science.

The order “ends up disrupting a decades-long and very productive partnership or collaboration between the federal government and the research institutions” by making federal agencies less reliable funders, said a former associate provost for research at a major university, who requested anonymity to speak freely. “It’s going to be a big deal, and there will be legal challenges to it.”

Overall, the order details many changes that the Trump administration has been implementing in federal grantmaking agencies but have met resistance from career officials, Congress, or federal courts. Multiple sources who were familiar with these changes told STAT that the executive order appeared to be an attempt to sidestep such resistance, and solidify the changes that the Trump administration has been pushing on scientific research and universities.

For instance, when the administration abruptly eliminated grants from the National Institutes of Health, the Environmental Protection Agency, and the National Endowment for the Humanities, a series of federal courts ruled that the terminations were illegal. This order now instructs agencies to codify a process for terminating previously awarded grants at any time “for convenience, including when the award no longer advances agency priorities or the national interest.”

The former research provost told STAT he feared the executive order’s provisions would more likely withstand legal challenges than previous terminations of existing research. “All these appeals have said that it’s arbitrary and capricious for the director of NIH or any other director of an agency to simply take away a grant that’s already been lawfully awarded,” he said.

Researchers said the order could make the process of science much more volatile, and subject to partisan priorities.

“This turns science into an instrument for partisan gain. Now we have Republican science and Democrat science. The EO formalizes a system that burrows government censors into the roots of the scientific

enterprise,” said Scott Delaney, a lawyer and Harvard epidemiologist who has been tracking grant cancellations.

Scientific grants at agencies like the NIH have long been reviewed and ranked by panels of experts in a particular field, with their choices signed off on by senior career officials. But the new order says these “peer review recommendations” should not be “ministerially ratified, routinely deferred to, or otherwise treated as de facto binding by senior appointees or their designees.”

Marylana Helou, a partner at the law firm Epstein Becker and Green, said the order “transforms the concern about increasing political control over the scientific work of federal agencies from a theoretical concern to a practical one, and in doing so, “could make planning for and performing any long-term studies very challenging for scientists, because of the fear that their federal funding could be pulled out from underneath them at any minute.”

The order also requires political appointees to review officials responsible for selecting and granting awards and hold those officials accountable. That likely means that program officers and grant management specialists can be penalized by political appointees for awarding grants that don’t align with the administration’s priorities, NIH staff members told STAT. Current and former program officers have described the NIH under the Trump administration as a place with a culture of fear, where staff can and have been terminated for seemingly arbitrary reasons.

The order exacerbates that fear, said Jenna Norton, a program officer at the NIH who spoke to STAT in a personal capacity. “That’s largely how this administration operates. They put out these executive orders and very vague guidance statements that are really hard to interpret,” she said. “It creates a situation where you don’t know where the line is exactly, and you are afraid that if you cross the line, there will be consequences, which is something the executive order says.”

At the center of the order is Office of Management and Budget Director Russell Vought, who has argued that the president has the power to spend less money than Congress has explicitly mandated in law. The Government Accountability Office has ruled that this maneuver is

unlawful, but Vought has been increasingly aggressive at trying to slow science spending, even briefly blocking all grants made by the NIH late last month. (White House officials intervened shortly after to resume the flow of funding, according to reporting by the Wall Street Journal.)

Former and current staff at the NIH have told STAT that they believed part of Vought's goal in slowing down grants at the NIH is to keep money from being spent by the end of the government's fiscal year on September 30. Unspent dollars would be returned to the U.S. treasury.

The order directs the OMB head to revise its Uniform Guidance, a government-wide framework for managing federal grants and other awards, to permit terminations for convenience. The OMB director is also instructed to revise its Uniform Guidance to "appropriately limit" the use of grant dollars for indirect costs.

These indirect costs, sometimes called facilities and administrative costs, are expenses connected to research but not specific projects, like utility bills or salaries of administrators who help prepare grants. The administration has argued that taxpayer dollars would be better spent on direct research expenses, such as scientist salaries and reagents, and has noted that elite universities are often paid for indirect costs at higher rates than other schools.

The administration tried to achieve this goal in a different way earlier this year, when the NIH announced that it would cap indirect costs at 15%. A federal judge blocked the policy, and the Senate Appropriations Committee voted to retain legislative language preventing NIH from deviating from indirect cost rates negotiated between institutions and the federal government. The new order, however, indicates the administration plans to use OMB as a workaround.

The order also states that, "all else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates." The move has the potential to not only affect places like Harvard and Yale, but also prestigious institutions in conservative states, such as Vanderbilt University Medical Center and the University of Texas Southwestern Medical Center.

Emphasizing the desire to shift grants from research centers that now get a big share of funding, the order says: "Discretionary grants should be given to a broad range of recipients rather than to a select group of repeat players."

The new language aligns with comments made by NIH Director Jay Bhattacharya during a Senate Appropriations subcommittee hearing in June. During the hearing, Bhattacharya told senators that top-tier institutions benefit from a "vicious cycle" in which these institutions receive high indirect costs rates, which allows them to attract big-name scientists, who in turn win grants that bring in more support for overhead.

To break this cycle, he said, "we have to make sure that the institutional overhead funds are essentially part of a competition across universities."

Patient advocates and scientists pushed back on that idea, arguing that research institutions are often able to negotiate higher rates because they have facilities or other infrastructure that provide greater value to science. "We don't think America should be known for the cheapest science. America should be known for the best science," said Russ Paulsen, the CEO of the nonprofit UsAgainstAlzheimer's. "We need success more than anything."

Science doesn't operate in four-year cycles; chasing big, potentially transformative ideas aimed at improving the lives of all Americans requires administration-spanning stability and mutual trust, scientists told STAT, adding that Trump's order obliterates that trust.

"It means when I get a promise from the U.S. government, I can't count on the money," said Carl Bergstrom, a biologist at the University of Washington. "It means I can't plan ahead."

In addition to adding layers of political control to the process of awarding grants and formalizing a path for terminating grants at will, the order also takes aim at the distribution of federal funds. Called grant "drawdown", this has historically been a fairly streamlined process, with the government trusting that research labs are requesting money for things in their approved budgets. Now, funding agencies will be required to explicitly approve any drawdown and awardees will have to provide

written explanations justifying each request for money as a condition of receiving the grant.

All of this will generate a profusion of paperwork and will require agencies to establish new processes to manage these new reporting conditions — and is likely to slow down grantmaking operations.

“The overwhelming evidence is that when we politicize previously apolitical processes, the performance goes down and the quality of the work decreases,” said David E Lewis a professor of political science at Vanderbilt University who has studied how federal agencies operate under presidential appointees. “The concern here is that centralizing control of new grant opportunities and grant awards in a political appointee will reduce the quality of decision-making and slow it down and the efficacy of those programs will decrease. What I worry about, when I think about how much support for federal science has led to dramatic breakthroughs, are the opportunities that will be missed by bad decisions.”