

117TH CONGRESS  
2D SESSION

# H. R. 8095

To impose limitations on the amount of indirect costs allowable under Federal research awards to institutions of higher education, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 2022

Mr. CLINE introduced the following bill; which was referred to the Committee on Science, Space, and Technology

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## A BILL

To impose limitations on the amount of indirect costs allowable under Federal research awards to institutions of higher education, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Grant Ac-  
5 countability Act”.

6 **SEC. 2. LIMITATIONS ON INDIRECT COSTS ALLOWABLE**  
7 **UNDER FEDERAL RESEARCH AWARDS.**

8 (a) LIMIT ON INDIRECT COSTS.—The total amount  
9 of indirect costs allowable under a Federal research award  
10 to an institution of higher education may not exceed the

1 total amount of indirect costs allowable under private re-  
2 search awards, as calculated using the average indirect  
3 cost rate applicable to such awards.

4 (b) PRIVATE RESEARCH AWARD RATE.—The Direc-  
5 tor of the Office of Management and Budget shall deter-  
6 mine, not less frequently than annually, the average indi-  
7 rect cost rate applicable to private research awards for  
8 purposes of subsection (a).

9 **SEC. 3. COMPTROLLER GENERAL STUDY ON INDIRECT**  
10 **COSTS UNDER FEDERAL AND PRIVATE RE-**  
11 **SEARCH AWARDS.**

12 (a) STUDY.—The Comptroller General of the United  
13 States shall conduct a study on—

14 (1) the indirect cost rates allowable under Fed-  
15 eral research awards to institutions of higher edu-  
16 cation, including awards made by the National Insti-  
17 tutes of Health, the National Science Foundation,  
18 and other such organizations; and

19 (2) the indirect cost rates allowable under pri-  
20 vate research awards to institutions of higher edu-  
21 cation.

22 (b) ELEMENTS.—The study under subsection (a)  
23 shall include an assessment of—

1           (1) the average indirect cost rates allowable  
2           under Federal and private research awards, respec-  
3           tively;

4           (2) the research fields that receive the highest  
5           levels of funding from Federal and private research  
6           awards, respectively;

7           (3) the average amount indirect costs allowable  
8           under Federal and private research awards that are  
9           used to fund administrative staff, including adminis-  
10          trative staff with responsibilities relating to diver-  
11          sity, equity, and inclusion; and

12          (4) the measures implemented by organizations  
13          that make Federal research awards, including the  
14          National Institutes of Health and the National  
15          Science Foundation, to ensure such organizations  
16          are implementing indirect cost rate-setting guidance  
17          in a consistent manner.

18          (c) REPORT.—Not later than one year after the date  
19          of the enactment of this Act, the Comptroller General shall  
20          submit to Congress a report on the results of the study  
21          conducted under subsection (a). The report shall include  
22          such recommendations as the Comptroller General con-  
23          siders appropriate to improve the system for determining  
24          indirect cost rates and tracking reimbursements for indi-  
25          rect costs under Federal research awards.

1 **SEC. 4. DEFINITIONS.**

2 In this Act:

3 (1) INSTITUTION OF HIGHER EDUCATION.—The  
4 term “institution of higher education” has the  
5 meaning given that term in section 102 of the High-  
6 er Education Act of 1965 (20 U.S.C. 1002).

7 (2) FEDERAL RESEARCH AWARD.—The term  
8 “Federal research award” means support provided  
9 to an individual or entity by a department or agency  
10 of the Federal Government to carry out research ac-  
11 tivities, which may include support in the form of a  
12 grant, contract, cooperative agreement, or other  
13 such transaction.

14 (3) PRIVATE RESEARCH AWARD.—The term  
15 “private research award” means an award made by  
16 a private sector organization to support research ac-  
17 tivities at an institution of higher education.

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