

118TH CONGRESS  
1ST SESSION

# H. R. 6847

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

DECEMBER 19, 2023

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 (c) DETERMINATION OF INDIRECT COSTS.—In deter-  
10 mining “indirect costs” for purposes of this subsection,  
11 the guidelines under subpart E of title 2, Code of Federal  
12 Regulations (or successor regulations) for determining in-  
13 direct costs charged to Federal awards shall be used.

14 **SEC. 3. COMPTROLLER GENERAL STUDY ON INDIRECT**  
15 **COSTS UNDER FEDERAL AND PRIVATE RE-**  
16 **SEARCH AWARDS.**

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

19 (1) the indirect cost rates allowable under Fed-  
20 eral research awards to institutions of higher edu-  
21 cation, including awards made by the National Insti-  
22 tutes of Health, the National Science Foundation,  
23 and other such organizations; and

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

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

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

9           (2) the research fields that receive the highest  
10      levels of funding from Federal and private research  
11      awards, respectively;

12          (3) the average amount indirect costs allowable  
13      under Federal and private research awards that are  
14      used to fund administrative staff, including adminis-  
15      trative staff with responsibilities relating to diver-  
16      sity, equity, and inclusion; and

17          (4) the measures implemented by organizations  
18      that make Federal research awards, including the  
19      National Institutes of Health and the National  
20      Science Foundation, to ensure such organizations  
21      are implementing indirect cost rate-setting guidance  
22      in a consistent manner.

23      (c) REPORT.—Not later than 1 year after the date  
24 of the enactment of this Act, the Comptroller General shall  
25 submit to Congress a report on the results of the study

1 conducted under subsection (a). The report shall include  
2 such recommendations as the Comptroller General con-  
3 siders appropriate to improve the system for determining  
4 indirect cost rates and tracking reimbursements for indi-  
5 rect costs under Federal research awards.

6 **SEC. 4. DEFINITIONS.**

7 In this Act:

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

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

19 (3) **PRIVATE RESEARCH AWARD.**—The term  
20 “private research award” means an award made by  
21 a private sector organization to support research ac-  
22 tivities at an institution of higher education.

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