

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R.

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

IN THE HOUSE OF REPRESENTATIVES

Mr. CLINE introduced the following bill; which was referred to the Committee on _____

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”.

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

3 (a) **LIMIT ON INDIRECT COSTS.**—The total amount
4 of indirect costs allowable under a Federal research award
5 to an institution of higher education may not exceed the
6 total amount of indirect costs allowable under private re-
7 search awards, as calculated using the average indirect
8 cost rate applicable to such awards.

9 (b) **PRIVATE RESEARCH AWARD RATE.**—The Direc-
10 tor of the Office of Management and Budget shall deter-
11 mine, not less frequently than annually, the average indi-
12 rect cost rate applicable to private research awards for
13 purposes of subsection (a).

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

19 **SEC. 3. COMPTROLLER GENERAL STUDY ON INDIRECT**
20 **COSTS UNDER FEDERAL AND PRIVATE RE-**
21 **SEARCH AWARDS.**

22 (a) **STUDY.**—The Comptroller General of the United
23 States shall conduct a study on—

24 (1) the indirect cost rates allowable under Fed-
25 eral research awards to institutions of higher edu-
26 cation, including awards made by the National Insti-

1 tutes of Health, the National Science Foundation,
2 and other such organizations; and

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

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

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

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

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

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

1 (c) REPORT.—Not later than 1 year after the date
2 of the enactment of this Act, the Comptroller General shall
3 submit to Congress a report on the results of the study
4 conducted under subsection (a). The report shall include
5 such recommendations as the Comptroller General con-
6 siders appropriate to improve the system for determining
7 indirect cost rates and tracking reimbursements for indi-
8 rect costs under Federal research awards.

9 **SEC. 4. DEFINITIONS.**

10 In this Act:

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

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

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