

PRIORITY 2

Congressional Action Needed: Codify the Financial Accountability in Research (FAIR) Model in FY 2027

INDIRECT COSTS ARE RESEARCH COSTS

Indirect costs, also known as facilities and administrative (F&A) costs, are the real costs of research supporting scientific progress and bolster American innovation leadership in a highly competitive global landscape. The Financial Accountability in Research (FAIR) Model is a new approach to supporting research through indirect cost recovery and ensuring American leadership in science and innovation. The proposal, which was developed by the Joint Associations Group (JAG), was widely cited in FY26 appropriations bills as meriting further consideration by Congress in FY27. Codifying the FAIR Model will ensure a consistent, transparent, and evidence-based approach across federal agencies for reimbursing the legitimate institutional costs of federally funded research, strengthening accountability and the sustainability of the U.S. research enterprise.

CONGRESSIONAL ACTION NEEDED: ENACT FAIR IN FY27



We urge Congress to include the provided bill language in the FY 2027 Financial Services and General Government Appropriations Act, directing federal agencies to adopt the Financial Accountability in Research (FAIR) Model.

Ensure at least a two-year transition period for agencies and institutions to make the necessary changes to accommodate FAIR.

Preserve the existing F&A reimbursements system until the new model is fully implemented and operational across federal research funding agencies.



Features of the FAIR Model:

- ✓ Enhances transparency and accountability, adopting elements of the private foundation funding model and industry charging structures that make costs more visible and explicit through new trackable costing categories.
- ✓ Provides greater visibility on the drivers of research costs, including regulatory expenses, so researchers, institutions, government, and taxpayers can more clearly understand what contributes to safe and ethical science.
- ✓ Aligns reimbursement with actual project needs, replacing the current facilities and administrative costs (F&A) model that is applied across all research types at an institution with tailored support that reflects the specific type and cost of each research project.

All Americans benefit from federal investments in science. Learn more about the FAIR Model and how indirect costs are an essential part of ensuring American competitiveness in research at <https://bit.ly/APLUIndirectCosts>