

FAIR Model Congressional Talking Points

Takeaway: Federally supported research leads to cures, transformative technologies, and whole new industries that save lives, improve Americans' health, create new jobs, and strengthen our national security. The Financial Accountability in Research (FAIR) model is a new, transparent approach to supporting essential research costs and ensuring American leadership in science and innovation. The model makes visible and explicit the institutional costs required to support federal sponsored research, ensuring accountability for taxpayers.

Experts, both inside and outside the research community, helped develop the model, which accommodates universities as well as nonprofit research institutions of all types and sizes. The FAIR model provides a sustainable structure to ensure the nation's research enterprise continues to outcompete the world and make defining discoveries.

Ask: Support the FAIR model; support language in FY26 appropriations bills that prohibits NIH, NSF, DOE, and DOD from imposing a 15% cap on indirect costs; and oppose anticipated new Office of Management and Budget uniform regulatory guidance on indirect costs for these and other federal research agencies until the agencies have worked with the stakeholder community on a clear plan to implement a new system – with an adequate two-year transition period – based on the FAIR model framework.

Key Points:

- **The FAIR Model Is Precise**
 - The FAIR model utilizes more precise budgeting and accounting to capture the true institutional costs of conducting a research project.
 - The model eliminates the previous reimbursement system for supporting indirect costs, providing greater clarity on how specific institutional costs are tied to a specific research project and why they are essential to completing the work.
- **The FAIR Model Provides Greater Transparency**
 - The FAIR model would create new trackable cost categories that make explicit the specific expenses associated with specific federal research grants.
 - Under the new system, institutions will be required to track how federal funding supports project-related research facilities, administrative services, and compliance costs using clearly defined, allowable categories.
- **The FAIR Model Promotes Fairness**
 - The FAIR model accommodates all types and sizes of colleges and universities and nonprofit research institutions.
 - Research-intensive universities and nonprofits will be able to use the proposed "expanded option" under the FAIR model to itemize their expenses and recover a more accurate share of their costs.
 - Emerging research institutions with smaller administrative infrastructure can use the "base option" for reimbursement for key research operation expenses while they build their programs.
- **Implementation of The FAIR Model Must Be Achieved on a Two-Year Timeline**
 - Because the FAIR model represents a significant departure from the current F&A cost reimbursement approach, both research institutions and federal agencies will need time to develop and implement new processes and policies. Ensuring adequate implementation time – at least two years – will be vital to the success of the new system.

- Current indirect cost reimbursement policies must remain uninterrupted during the implementation period.