

# S 4247

No Subsidies for Wealthy Universities Act

**Congress:** 118 (2023–2025, Ended)

**Chamber:** Senate

**Policy Area:** Education

**Introduced:** May 2, 2024

**Current Status:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

**Latest Action:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions. (May 2, 2024)

**Official Text:** <https://www.congress.gov/bill/118th-congress/senate-bill/4247>

## Sponsor

**Name:** Sen. Lee, Mike [R-UT]

**Party:** Republican • **State:** UT • **Chamber:** Senate

## Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Hawley, Josh [R-MO]	R · MO		May 2, 2024
Sen. Marshall, Roger [R-KS]	R · KS		May 2, 2024

## Committee Activity

Committee	Chamber	Activity	Date
Health, Education, Labor, and Pensions Committee	Senate	Referred To	May 2, 2024

## Subjects & Policy Tags

**Policy Area:**

Education

## Related Bills

Bill	Relationship	Last Action
118 HR 8224	Identical bill	<b>May 2, 2024:</b> Referred to the Committee on Science, Space, and Technology, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

## **No Subsidies for Wealthy Universities Act**

This bill limits the indirect costs that are allowable under federal research awards to institutions of higher education (IHEs) with endowments above specified thresholds. (Generally, indirect costs represent expenses that are not specific to a research project but are needed to maintain the infrastructure and administrative support for federally funded research.)

Specifically, the National Center for Education Statistics (NCES) must annually collect information regarding the endowments of each IHE that has entered into a program participation agreement with the Department of Education.

With this collected information, NCES must identify and make lists of (1) each IHE with an endowment of more than \$5 billion, and (2) each IHE with an endowment of more than \$2 billion (but not more than \$5 billion). NCES must submit these lists to the Office of Management and Budget, which must then distribute the lists to federal agencies, Congress, and the public.

The bill establishes the following limits on the indirect costs allowable under federal research awards:

- for an IHE with an endowment of more than \$5 billion, the IHE is prohibited from using these awards for indirect costs;
- for an IHE with an endowment of more than \$2 billion (but not more than \$5 billion), the IHE is limited to an indirect cost rate of 8%; and
- for all other IHEs, an indirect cost rate of 15%.

The Government Accountability Office must annually report to Congress on indirect cost reimbursement on federal research awards for IHEs.

## **Actions Timeline**

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- **May 2, 2024:** Introduced in Senate
- **May 2, 2024:** Read twice and referred to the Committee on Health, Education, Labor, and Pensions.