

July 13, 2025

Science Will Find a Way

A letter from David A. Brenner, MD, President and CEO of Sanford Burnham Prebys

No one thinks the current system for funding indirect costs (IDC) for scientific research is perfect. It's the result of 80 years of expansive and visionary federal support of science. In that time, original goals and practices have morphed to meet changing needs. The system has evolved to become increasingly efficient at the expense of transparency.

IDC is a big bucket term that includes all of the expenses of research not directly associated with a specific project or program, everything from infrastructure required to meet federal, state and local regulations and safety requirements to administrative costs, insurance and utilities.

IDC is paid by the agency funding the research grant to the research institution or university performing the research. It is a percentage above and beyond the direct costs required to fund approved research, such as the salaries of scientists, scientific equipment needed and lab supplies.

IDC rates are negotiated between organizations and federal agencies. They vary from, say, 30 percent to 70 percent of a grant's direct costs. They are regularly reviewed and institutions are subject to regular audits.

The benefit to research institutions is clear: They can identify their relevant expenses and seek an IDC rate that sustains their work and mission. No one knows better what is needed to do the job than the institution doing the job. It is a model of logic and efficiency.



However, since January at least [four federal agencies](#) have sought to enact a flat IDC funding cap. They are the powerhouses of research funding: the National Institutes of Health (NIH), the U.S. Department of Energy, the National Science Foundation (NSF) and the U.S. Department of Defense. All seek to cap IDC at 15 percent — an existential threat. Three agencies have been blocked, at least temporarily, by the courts. On June 20, a federal judge struck down the NSF action, ruling that it was “arbitrary and capricious” and didn't align with federal law or regulations.

The Trump administration asserts that the scientific enterprise in this country is spending too much money with too little accountability — and not enough to show for it. Through the NIH, NSF and other agencies, the administration has cancelled thousands of research grants totaling billions of dollars, claiming the country was receiving [“diminishing returns”](#) on the government's investment in science.

The contention is demonstrably ridiculous. U.S. science has long been preeminent in the world, the epitome of research excellence and achievement, from basic understanding of human biology to drug development to new technologies like genomic sequencing and artificial intelligence. Many, perhaps the majority, of grants have been terminated for reasons having much more to do with politics than actual science. Unaddressed, we will suffer the [consequences](#) for years to come.

But buried within the administration's irresponsible and arbitrary allegations is a single cogent point: What science funding has achieved in terms of efficiencies; it has lost in terms of transparency.

From the outside, it can be impossible to see or understand how, when, where and why research monies are spent. Critics of the current IDC system can't see the details. They may have little understanding of the complexities. They assume the worst — even if they lack evidence to support their claims.

This month, a coalition of organizations representing universities, medical centers and research institutions like Sanford Burnham Prebys proposed a new approach called the [Financial Accountability in Research \(FAIR\) model](#).

It reconfigures federal research funding into three components:

1. **Research Performance Costs**, which are expenses linked to project-specific activities.
2. **Essential Research Performance Support** are expenses necessary to carry out research and can be linked to a given project, such as regulatory compliance, information services, facility space, utilities and operations.
3. **General Research Operations** are expenses that include institution-wide infrastructure and services necessary to support and conduct research, but which can't be practically allocated to a given project. Examples include onboarding, payroll, procurement and general administration.

Under this model, institutions would be subject to new standards to increase transparency and accountability, said Kurt Marek, PhD, chief research development officer at Sanford Burnham Prebys who also spent many years as a director at NIH.

"The FAIR model represents a new approach to funding science — one that ensures the true costs of research are transparently included in project budgets. The model provides accountability to taxpayers and supports 'gold standard science' that will maintain America's preeminence in science and technology for decades to come."

It remains to be seen how the Trump administration and Congress will respond to the proposal. Adoption would require a change in dogma and some reworking of current federal guidelines.

Science is fundamentally about exploring the unknown, but these days of funding uncertainty are antithetical to the enterprise. We need to fully get back to work, knowing that our missions to increase human knowledge and wellbeing are sustainably funded.

Sincerely,



David A. Brenner, MD
President and Chief Executive Officer
Donald Bren Chief Executive Chair