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Guest Post: Will JAG's New Models Give Libraries and Publishers a Better Seat at the Federal Funding Table?

By HILARY CRAIGLOW | JUN 16, 2025

BUSINESS MODELS | ECONOMICS | LIBRARIES | POLICY | RESEARCH

Editor's Note: Today's post is by Hilary Craiglow. Hilary Craiglow leads library consulting at Attain Partners, a higher education consulting firm. With a deep commitment to libraries, she partners with universities to strengthen financial positioning, integrate data-informed assessments, and align library operations with institutional goals. She is responsible for modernizing a Library Cost Study, articulating the value of libraries in the research enterprise, and demonstrating library expenses for cost recovery for sponsored research.

Federal research funding is undergoing its most significant reform in decades. One dimension of the changes is the imposition (usually on Friday nights) of a 15% indirect cost rate cap for new and existing grants from funding agencies such as the NIH, (https://scholarlykitchen.sspnet.org/2025/02/10/nih-cuts-icr-implications-for-research-institutions-and-scholarly-publishing/) DOE, NSF, and DOD, reducing rates that typically range from 40% to 60% at major research universities. While this is being considered in Congress as part of the FY26 federal budget proposal and is the subject of active litigation, an expert group has been working diligently to develop an alternative proposal.

In March, a coalition of 10 academic and research organizations announced their plan "to spur the development of a more efficient and transparent model for funding indirect costs on federal research grants," essentially offering the government a collaborative alternative to the unilateral policy changes. What makes the Joint Associations Group (JAG) (https://www.cogr.edu/national-organizations-announce-joint-effort-develop-new-indirect-costs-funding-model-0) initiative particularly important is that it represents the research community's attempt to work collaboratively with the government rather than protest in reaction to policy changes.

On June 12, the Council on Governmental Relations (COGR) (https://www.cogr.edu/) hosted a town hall webinar on behalf of JAG. The group of subject matter experts (//www.cogr.edu/sites/default/files/Indirect%20Costs%20Subject%20Matter%20Experts%20Team%20%281%29.pdf), with an eye to American leadership in science and technology, presented two provisional models for reforming indirect cost reimbursement. Described as "bookends," the two recommendations (https://nacubo.az1.qualtrics.com/CP/File.php?F=F_emJ4VPIfJ6YIiIS) represent the ends of a spectrum, leaving open the possibility of a hybrid model somewhere in between.

Both models aim to eliminate frequent indirect cost rate negotiations while ensuring taxpayer accountability for research investments. They also attempt to increase transparency, reduce administrative burdens, and provide more accurate accounting of recoverable costs. The recommendations aim to address the distinct institutional and project needs, as well as government concerns, regarding the transparency of research funding.

Both models specifically recognize libraries and the scholarly resources they provide as part of "Essential Research Services" (ERS), a critical designation that validates these functions as fundamental research infrastructure. If implemented, the models would fundamentally reshape how research support services, including library services and resources, are funded and valued within the research enterprise.

The Two Models

The catchphrase for both models is that they are "F.A.I.R." – that they represent Fiscal Accountability in Research.*

FAIR Model #1 has two parts:

- The Principal Investigator’s project costs comprise current direct costs.
- Essential research services (ERS) are a fixed percentage. The percent, e.g., 30%, is based on two factors: institution type, which is derived from historical and audited public data, and an allowance for project-specific modifiers to account for different costs associated with different types of research.

This model explicitly calls out “Research Library Materials” as a primary component of the ERS percentage.

The new approach reduces administrative burden for institutions. It simplifies the application process. The percentage-based method is easier to understand than previous systems. It eliminates the need for regular F&A rate negotiations. The system provides greater predictability for planning purposes. Yet, the approach gives up some strict accuracy in calculations. It uses averages that may not perfectly reflect an individual institution. The percentages may remain unchanged for long periods, potentially becoming outdated.

FAIR Model #2 has three parts:

- Principal Investigator project costs, comprised of both new and revised line items, including shared research resources and services.
- Project Costs Managed by the Institution, including ERS, as a dollar amount, not a percentage.
- General Research Operations costs, a fixed % for costs not easily assigned to a single project.

This model includes most library-related functions under “Research Information Services,” a component of ERS and included in Project Costs Managed by the Institution. Requiring more granularity of expense documentation, library-related expenses can also be assigned to PI project costs. This model requires more detailed tracking and accounting for specialized research support expenses. This model would provide dedicated funding for specific library and scholarly communication-related costs, such as systematic reviews, data management, repositories, licensing data, data curation, and open-access support. Some of these expenses would be directly charged and managed by the Principal Investigator, while others would be included in Project Costs Managed by the Institution.

This approach provides a more accurate reflection of research resources used for a grant project while increasing transparency and offering direct visibility into the costs. It also accommodates different institution types and includes a short-form option for smaller or emerging research organizations.

However, implementation requires significant upfront effort and substantial initial resources to establish the system. Institutions will need a ramp-up period to adapt to this important cultural and structural change, making the initial implementation process more complex overall.

Essential Research Services

The ERS framework represents a significant shift in how federal agencies and, therefore, universities, view library-related services. For librarians and academic publishers, these proposed changes carry implications for how our institutions account for and recover costs associated with our work. Both models move library expenses from a facility indirect cost to essential infrastructure, potentially providing clearer visibility for the library and scholarly communication support. Although no model will please everyone (or anyone?), this development is a plus for our communities.

These model recommendations represent an opportunity for libraries to transition from passive cost centers to active research partners by implementing cost and activity-based systems. By doing so, libraries will demonstrate a measurable research impact that reflects their actual value to the research enterprise. This is a significant shift from the current approach to library expenses, which is fraught with issues. It often fails to capture the actual costs of supporting research, compliance with federal data-sharing mandates, and the scholarly communication ecosystem that increasingly demands sophisticated technical infrastructure and financial support.

At this moment, libraries can capitalize on this shift in mindset and should fundamentally reposition themselves as essential, quantifiable contributors to research success, no longer settling for facilities overhead. Regardless of the eventual model, libraries will need to reassess how they account for their activities and services.

New Directions for Libraries

Although the two models have only just been shared, one can imagine a few approaches and considerations for libraries.

- Develop Service Portfolios: Create clear categories of research support services (data management, systematic reviews, repository services, scholarly communication) with defined cost structures for each.
- Document Actual Expenses: Demonstrate the percentage of library use supporting sponsored research and calculate the related expenditures. Track what portion of collections, staff time, and infrastructure directly supports federally-funded research activities.
- Establish Cost Tracking Systems: Implement activity-based costing to track staff time, resources, and expenses for research support services. Document both direct project costs and general research infrastructure expenses.
- Build Measurement Capabilities: Track usage metrics, research outcomes, and impact data to demonstrate value and justify costs under either percentage-based or itemized funding models.
- Create Hybrid Funding Mechanisms: Depending on the service type and the adopted model, develop systems to handle direct charges to specific projects and institutional overhead for general research infrastructure.
- Partner Strategically: Work closely with sponsored research offices, finance, and administration to integrate library services into institutional research cost accounting and ensure proper representation in future funding models.

Implications for Publishers

The two proposed FAIR funding models also represent a new outlook for scholarly publishers, who regularly navigate the terrain of open-access mandates and tightening library budgets. By repositioning "research information services" and "library research materials" as essential research infrastructure rather than an indirect cost, these models may address core publisher concerns about sustainable funding for the services and content they provide to both researchers and academic libraries. In FAIR Model #1, "publishing costs" are classified as PI-managed costs, which represent the current treatment of Article Processing Charges (APCs). FAIR Model #2 may offer publishers a pathway to align their business models with federal mandates while securing dedicated institutional funding streams that have historically been constrained by library budgets.

This development is particularly significant given publishers' dual role as both content providers and service facilitators of manuscript submission systems, peer review platforms, data repositories, and compliance tools that support researchers in meeting federal data-sharing requirements. Should these models help libraries gain access to dedicated funding for scholarly communication services such as systematic reviews, data curation, and repository management, publishers can position their platforms and expertise as essential partners in this infrastructure, potentially transforming relationships from traditional vendor-customer dynamics to collaborative research support partnerships.

Next Steps

JAG is seeking feedback from the research administrator community on its recommendations, with a particular emphasis on stress-testing how these models would work for various types of institutions and services. The group's full report (https://nacubo.az1.qualtrics.com/CP/File.php?F=F_emJ4VPIfJ6YIiIS), which includes details on each of their recommendations, is publicly available.

A town hall (https://www.eventbrite.com/e/617-town-hall-jag-release-of-recommendations-tickets-1405202130399?aff=oddtdtcreator) on June 17th will address input on practical implementation. The ultimate goal is to develop a single, implementable model that adequately supports the information infrastructure needs of all research institutions.

Regardless of the outcome, changes to indirect costs will significantly impact funding for universities, libraries, and academic publishing. The depth of expertise, dedication, and collaborative approach demonstrated by the JAG team offer genuine hope that we may have a path forward that can sustain the information infrastructure that modern research demands, one that serves both the public interest and the public good.

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*FAIR – not to be confused (but will be) with the data principles or cyber assessments by the same acronym.

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ISSN 2690-8085