The Cost Openness and Spending Transparency (COST) Act requires every project supported with federal funds to include a price tag with its cost to taxpayers.

Both the dollar amount and percentage of the total budget derived from federal financial assistance for any project, program, or activity would be required to be disclosed in all public documents, such as press releases.

This is currently required of all recipients of federal money provided by the Departments of Labor (DOL), Health and Human Services (HHS), and Education, and related agencies. The mandate is annually renewed within the appropriations act funding those departments and agencies.

The COST Act would apply these disclosure requirements to all federal departments and programs.

The present law, however, is being largely ignored by both the recipients of taxpayer dollars and the government agencies providing the funding.

The departments are not monitoring or enforcing compliance with the law and cannot verify if the calculations used to determine the information by grantees is reliable, according to a review by the Government Accountability Office (GAO). Education Department officials do not even believe the agency has an “obligation to monitor” whether or not its grantees follow the law, according to GAO.

To guarantee compliance, the COST Act provides authority to the White House Office of Management and Budget (OMB) to withhold a portion of a grant from a recipient that does not disclose the costs, as required, until it does.

The COST Act will guarantee Americans can see how their hard earned tax dollars are being spent and decide for themselves whether or not the price is right.
Federal law requires some projects supported with government assistance disclose the cost to taxpayers.

Congress has renewed the provision—referred to as the “Stevens Amendment” after its author, former Senator Ted Stevens—annually for thirty years since it was first passed as amendment to the Fiscal Year 1989 Department of Defense (DOD) appropriations bill.

The requirement initially applied to DOD and the Departments of Agriculture, Education, Health and Human Services (HHS), Labor (DOL), but presently applies to just Education, HHS, and DOL.

Specifically, the law states:

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state—

(1) the percentage of the total costs of the program or project which will be financed with Federal money;

(2) the dollar amount of Federal funds for the project or program; and

(3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.  

At the request of Senators Joni Ernst, Ron Johnson, James Lankford, and Rand Paul, the Government Accountability Office (GAO) conducted an investigation to determine why the longstanding law is not being followed.

GAO found that HHS, Education, and some DOL subagencies do not monitor nor do they have processes in place to oversee grantee compliance.” As a result, the agencies are not able “to ensure that grant funds are being expended in full accordance with these statutory and regulatory requirements.”

DOL does monitors “a percentage of its grantees” for compliance. Even the subagencies that claimed to conduct some monitoring, however, largely had no information on the methods used by grantees to calculate the federal funding dollar amounts or funding percentage figures the law requires. As an example, DOL’s Employment and Training Administration (ETA), which oversees more than 95 percent of the Department’s grant dollars, did not know how grantees calculated dollar amounts nor the level of details factored into indirect costs involving the organization’s structure and the percentage of funds spent on salaries.

GAO found, “despite the claims and efforts of some HHS operating divisions with regard to monitoring for Stevens Amendment compliance, none of HHS’s operating divisions could demonstrate that they had a process to manage and administer grantees’ compliance with the Stevens Amendment requirements.”

All three departments claimed the law does not explicitly require them to monitor grantee compliance with its requirements.
GAO counters, that “the uniform regulations that government federal agencies” state a “Federal awarding agency must manage and administer the federal award in a manner so as it ensure that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements.” Without processes to manage and administer grantees’ compliance with this law, the Departments are, thus, “not able to ensure that grant programs are being implemented by grantees in full accordance with the statutory requirements of the Stevens Amendment.”

GAO concludes, “Congress has repeatedly taken action to include the Stevens Amendment requirements with agencies’ appropriations. Ensuring grantee compliance with accountability requirements is achieved through investments of federal agency resources that reflects decisions regarding how best to ensure efficient and effective use of grant funds while reinforcing statutory requirements.”

Despite being required by a law renewed by Congress every year for three decades, federal agencies are doing little to ensure the cost of projects funded by taxpayers is being disclosed.
Examples of Recipients Not Complying With The Cost Disclosure Law

Current law requires grantees disclose the cost of all projects and programs funded by the Departments of Labor, Health and Human Services, and Education, including the dollar amount as well as the percentage of the total costs financed with Federal money. Originally offered as an amendment to an appropriations bill for Fiscal Year 1989 by then-Senator Ted Stevens, this provision has been included in annual appropriations bills for 30 years.

Congressional oversight has found recipients of federal funds are not complying with this longstanding law. A review by the Government Accountability Office (GAO) revealed the departments are not monitoring or enforcing compliance with the law and cannot verify if the calculations used to determine the information by grantees are reliable.5

While admitting that they do not even monitor if grantees are complying, officials at the National Institutes of Health (NIH), a component of HHS, told GAO they “have not received any reports of noncompliance with the Stevens Amendment. They said they would address any non-compliance issues if they were raised.”6 It was, in part, the lack of compliance by NIH and its grantees that spurred the investigation by GAO.

The following is a list of examples of questionable NIH-supported studies that do not provide the cost to taxpayers as required by law.

The Cat’s Meow
Cats that are pampered with treats and classical music every day are less likely to poop outside of the litter box or cough up hairballs. This paw-sh study may sound hiss-terical, except the research was supported with National Institute of Health (NIH) grants totaling $1.3 million.7 In January, Senator Ernst awarded NIH a “Squeal Award” for this catty study.8

The Batman Effect
If you are having trouble getting children to do their chores, try turning on the bat signal. When encouraged to put on a cape and pretend to be Batman, kids were less distracted from doing a boring assignment, according to research funded from a $405,000 NIH grant with additional support provided by NSF.9 Dubbed the “Batman Effect,” the researchers speculate role playing as a superhero might make a task more fun.10 Regardless, the caped crusader kids still largely chose to ignore their chores and play video games instead. To taxpayers, the study may seem more than a little batty.
**Elvis Sightings**

A sour cream and onion flavored potato chip resembling Elvis Presley inspired a study on false perception that was funded by a $90,000 NIH grant with additional support from the NSF.\(^{11}\) “The potato chip really does look like Elvis!,” the study asserts, explaining, “to the brain, the vaguely Elvis-like potato chip truly can provide a substitute for the King himself.”\(^{12}\) MRIs were used to examine brain activity of subjects as they rated whether a series of squiggles appeared to be recognizable. The study concludes the brain’s “process of identifying conceptual meaning in novel or nonsense figures is essentially the same as identifying meaning in familiar real-world objects” and that future studies are needed to determine how the brain sees “a potato chip not just as a tasty snack but as the embodiment of Elvis.”\(^{13}\) While Elvis is always on the mind of the researchers, taxpayers may look at both the potato chip and the study with suspicious minds.

![Image of potato chip and Elvis Presley](image1.png)

*This potato chip “really does look like Elvis!,” asserts a taxpayer-funded study*

**Picky Pigeons**

Sunflower seeds are the most pleasing food to the palates of pigeons, followed by popcorn and peanuts, according to a taste test of seven different foods involving eight pigeons.\(^{14}\) Preference was judged based upon the total weight of each food consumed.\(^{15}\) The researchers explain, “Despite the vast literature of behavioral experiments using pigeons, few studies have investigated food choice or preferences of the pigeon.”\(^{16}\) Supported with funding from a $256,000 NIH grant,\(^{17}\) this study is literally for the birds!

![Image of pigeons](image2.png)

*A taste test of pigeon palates found the birds prefer sunflower seeds.*
The Catwalk
Returning to a familiar subject, NIH funded another study to determine “how do cats manage to walk so graciously on top of narrow fences or windowsills high above the ground while apparently exerting little effort?” With support from a $178,000 NIH grant, ten cats were literally put on a catwalk and another was trained to strut on a treadmill. Monitoring of the cats revealed the felines walk “slightly slower” and place their paws closer together to navigate a narrow path. The purr-pose for spending tax dollars on this study may leave many Americans purr-plexed.

Gambling Pigeons
A slot-machine of sorts was developed for pigeons, with flashing lights just like in a real casino and pellets as the payout, as part of a study to test the birds’ “affinity for gambling.” Supported with grants from NIH totaling nearly $1.3 million, researchers trained the birds how to gamble for different amounts of food by pecking at separate parts of the machine. Rather than going for the choice on the right side that was a sure bet with a guaranteed yield of three pellets, the poker-faced pigeons instead chose to roll the dice on the left side that could produce a larger jackpot of ten pellets, but just twenty percent of the time, or no pellets at all. In a study entitled, “Do Pigeons Gamble? I Wouldn’t Bet Against It,” the researchers conclude the pigeons’ risky choices mimic “the decision-making process of pathological gamblers.” With the national debt now surmounting $22 trillion, it is not worth going for broke on more of these bird-brain studies.
SEC. 505. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state—

(1) the percentage of the total costs of the program or project which will be financed with Federal money;

(2) the dollar amount of Federal funds for the project or program; and

(3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.


4 Public Law 115-245 (H.R. 6157, “Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019” Division B, Title V, Section 505; https://www.congress.gov/bill/115th-congress/house-bill/1625/text. SEC. 505. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state—

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Project 5R01NS058659-05, “FOREBRAIN CONTROL OF LOCOMOTION,” $2.2 million from Fiscal Year 2008 to Fiscal Year 2012 (project date December 2007 to November 2014) to St. Joseph’s Hospital and Medical Center, National Institutes of Health Research Portfolio Online Reporting Tools database, accessed October 17, 2018; https://projectreporter.nih.gov/project_info_details.cfm?aid=8197348&icde=41706602.


Unconstrained Narrow path


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Do Pigeons Gamble? I Wouldn't Bet Against It

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