

ALASKA STATE LEGISLATURE

Rules Committee
Judiciary Committee




State Capitol Building, Rm 216
Juneau, Alaska 99801-1182
Phone: (907) 465-4993

REPRESENTATIVE CHUCK KOPP
DISTRICT 24

MEMORANDUM

TO: Rep. Claman
Chair, House Judiciary Committee

FROM: Rep. Chuck Kopp 

RE: House Bill 287 definition of "indirect cost" and "indirect cost rate"

DATE: March 19, 2020

The department of law has been in contact with me about possibly amending HB 287 to include definitions of "indirect cost" and "indirect cost rate."

These concepts are well known with the VPSO grantees and are defined in federal law. It would be possible to make references to the federal statutes where these concepts are codified. An amendment would amend the definitional section of the bill, section 4, page 14, and would look something like this:

"Indirect cost" and "indirect cost rate" have the meaning given in 25 U.S.C. 5304 (f) & (g).

Those federal statutes read as follows:

Sec. 4 – § 5304 [450b]. Definitions

For purposes of this Act, the term--

....

(f) "indirect costs" means costs incurred for a common or joint purpose benefitting more than one contract objective, or which are not readily assignable to the contract objectives specifically benefitted without effort disproportionate to the results achieved;

(g) "indirect cost rate" means the rate arrived at through negotiation between an Indian tribe or tribal organization and the appropriate Federal agency.

My preference is to not put into state statute specific references to federal statutes as those statutes can change. For example, the above reflects that until just recently this particular federal statute used to be codified at 25 U.S.C. 450b, but received a different section number recently when the Congressional Code Service renumbered Title 25 of the U.S. Code.