



RELEASE: Thursday, June 26:

Lobo Researchers,

Over the past two weeks, the legal landscape has shifted, bringing to the forefront several pivotal developments regarding grant terminations and the ever-controversial 15 percent cap on Facilities and Administrative (F&A) costs. We start with the most recent developments.

June 24

A coalition of 21 states, including New Mexico, filed a [lawsuit](#) challenging the termination of grants by multiple federal agencies.

June 18

The American Association of Physics Teachers and five other professional organizations filed a [lawsuit](#) challenging the termination of National Science Foundation (NSF) grants.

June 20

A federal judge issued a [summary judgment](#) declaring the NSF 15 percent F&A cap unlawful. The lawsuit was filed by the Association of Public and Land-grant Universities (APLU), the Association of American Universities (AAU), the American Council on Education (ACE), and several universities. The defendants (NSF/Federal government) have 60 days to appeal the decision. In the meantime, [NSF](#) has paused implementation of the cap.

June 17

A federal judge issued a [temporary restraining order](#) blocking the implementation of the Department of Defense's 15 percent cap on F&A costs. This lawsuit was filed by the Association of Public and Land-grant Universities (APLU) and 12 universities.

June 16

A federal judge [ruled](#) the administration's termination of National Institutes of Health (NIH) grants based on their connections to diversity-related topics was unlawful and void. New Mexico is one of the plaintiffs in this [lawsuit](#). The defendants (NIH/Federal Government) have 60 days to appeal the decision. Whether the terminated grants will be reinstated depends on how NIH and the federal government choose to respond.

Please continue with submitting your grants with UNM's current negotiated rate of 52.5% unless the RFA has stated otherwise.

In addition to the legal challenges, several national organizations have collaborated to develop new F&A cost models. The Joint Associations Group (JAG)—a coalition of 10



national organizations—has proposed two potential models to replace the current F&A reimbursement structure because Congress is signaling it would like to counter propose potential F&A policy solutions to the current series of agency-driven indirect cost caps.

- The first model applies a fixed F&A percentage based on the institution type (e.g., university, hospital, or research institute) and the research type (e.g., dry lab, wet lab, or clinical research).
- The second model calculates the F&A rate using project-specific direct costs combined with a fixed percentage for general research operations.

JAG hosted two virtual town halls earlier this month to gather feedback from universities and other stakeholders. UNM has conducted a preliminary analysis of both models and submitted its feedback. JAG is expected to utilize the feedback and present a single, unified proposal to Congress by the end of the month. More information on both [models is available](#).

We recognize that many of our researchers are currently engaged in a demanding summer season filled with important scientific endeavors. We would like to extend our gratitude to our entire research community for your dedication to advancing scientific knowledge and for your pivotal role in influencing and transforming our path toward a more promising future.

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