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Lobos,

As we dive headfirst into Research & Discovery (R&D) Week at The University of New Mexico, it's time to pause and reflect on the vibrant tapestry of innovation and inquiry that defines our academic community. However, this week serves not only as a celebration of our collective achievements but also as a crucial reminder of the external factors that can shape our research landscape, particularly in light of the current federal administration and its implications, including the ongoing government shutdown.

Indirect Cost Litigation Update: We continue to closely follow the litigation actions surrounding proposed indirect costs (F&A) rate caps from four federal sponsors. In all cases, the American Association of Universities (AAU) and other plaintiffs have filed suit against the Department of Health and Human Services (HHS), Department of Energy (DOE), National Science Foundation (NSF), and Department of Defense (DOD). In all cases, the rate cap policy is currently **not in effect**.

- **NSF:** The rate cap policy has been **permanently vacated**, and the litigation is complete with a win for the plaintiffs.
- **HHS:** The district court enjoined and vacated the NIH policy, and oral arguments happened yesterday, Nov. 5 before the First Circuit.
- **DOE:** The court has granted a stay of the briefing schedule because of the government shutdown.
- **DOD:** The defendants have until Dec. 15 to file a notice of appeal on the district court's decision to vacate the rate cap policy because it is "invalid, contrary to law, and arbitrary and capricious."

Federal Shutdown Guidance: As we have now moved into the second month of the federal shutdown, we want to remind everyone of a few things that may be impacting some units more than others:

- Please let UNM sponsored projects offices know immediately if you receive any **stop work orders** or **other communication** from funding agencies. It is imperative that we continue to communicate internally to ensure we stay compliant and are able to address emerging needs in a timely fashion.
- If you believe there may be short or long-term impacts to personnel, especially students or term employees, please let your research offices know immediately.
 - This is a great time to remind everyone about the [Term Employee Retention Initiative](#) (TRI) that began earlier this year. We have had several successes through this program, and it represents how strong of a Pack we are here at UNM.
- We are in limbo when it comes to processing normal requests like no-cost extensions and new awards because while UNM internal processing is



happening, it is unclear what is happening on the agency side. When the shutdown ends, processing times may also be a bit longer than usual as there will undoubtedly be a backlog of actions. Please be patient with our sponsored projects administrators.

- Regarding air travel, the FAA will soon begin limiting air traffic volumes and therefore curtailing the number of flights in-and-out of major airports, with mandated reductions starting on Nov. 8. Please be aware that work-related flight delays may be shifting from “possible” to “likely” as a result.

Where to find additional guidance on shutdown: As a reminder, additional guidance can be found on the Office of Sponsored Projects ([OSP](#)) website for central/branch campus faculty and the Sponsored Projects Office ([HSC SPO](#)) website for HSC faculty.

We will continue to provide updates regarding UNM's response to the shutdown. As always, feel free to reach out to the Office of Sponsored Projects (Central campus) or Sponsored Project Office (Health Sciences Center) for specific questions.

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